

# City of Wichita



## **DRAFT - Comprehensive Housing Policy August, 2015**

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# **Wichita Comprehensive Housing Policy**

## **Mission**

**... to provide housing and related services  
to benefit the citizens and neighborhoods of Wichita**

## **Vision**

The City of Wichita and its housing partners envision the housing environment in Wichita will:

- ♦ Provide safe, affordable housing and basic shelter for all people
- ♦ Eliminate blight in neighborhoods
- ♦ Develop housing in established neighborhoods (in-fill)
- ♦ Use a coordinated approach to housing that is balanced between enhancing established neighborhoods and creating new developments
- ♦ Involve collaboration between city, county, state and federal government, as well as for-profit businesses and nonprofit agencies
- ♦ Promote the availability of housing services and programs in Wichita

## Community Investments Plan 2015-2035

This Comprehensive Housing Policy document has been prepared independent of, but consistent with the recently released Community Investments Plan 2015-2035. The latter document was prepared by staff in the Wichita Sedgwick County Planning Department and Steering Committee and presented to the City Council and County Commission during the month of June, 2015.

There will be references throughout this housing policy to the investments plan where the discussion applies to both. To that end it is important to note that the Comprehensive Housing Policy Vision is consistent with key elements of the Community Investments Plan Vision Statement

*... “Building on our rich aviation and entrepreneurial heritage, Wichita-Sedgwick County is a global center of advanced manufacturing and high-tech industry and is a premier service, education, health and retail center for South Central Kansas. People feel safe and enjoy affordable housing choices in diverse, vibrant neighborhoods offering unique quality of living environments and active, healthy lifestyles with access to arts, culture and recreation.”*

The Comprehensive Housing Policy Vision is also consistent with the following Plan Guiding Policy Principle: *“Provide for Balanced Growth but with Added Focus on Our Established Neighborhoods.”*

An overview of the Community Investments Plan 2015-2035 can be found in the Appendix.

# COMPREHENSIVE HOUSING POLICY – CITY OF WICHITA

## EXECUTIVE SUMMARY

January, 2015

The City of Wichita has developed a comprehensive housing policy to guide current and future housing–related decisions made by officials in City government. However, the policy document also recognizes the importance of community partnerships in developing and strengthening this important community building block – housing and related services.

In this policy document, the reader is encouraged to consider housing in the context of the greater community. Having access to safe, affordable, and quality housing is essential for community residents to be able to contribute to and participate in, all that this community has to offer.

Housing choice is an important principle of this document. While many stakeholders in the housing community prioritize homeownership, this policy recognizes that ownership is not appropriate for or of interest to all residents. However, the policy affirms the importance of being intentional in ensuring that there is a balance of housing choices for persons choosing to live in Wichita. To that end this policy emphasizes the importance of strengthening housing options within the Redevelopment Incentives Area, to provide balance for housing which is being developed outside this area. Additionally, the policy places importance on development of strong neighborhoods which encourage diversity of residents and which offer a variety of services and amenities.

This document is divided into four policy sections, with an introductory review of the current status of housing and resources, and a brief needs assessment. Each policy section was developed by using all available data followed by review and analysis by subject matter experts and community stakeholders. Conclusions were reached as to barriers to effective housing development and strategies necessary to address them. Following are highlights of the policy discussions in the Comprehensive Housing Policy.

**Housing Affordability** looks at affordability from all perspectives. It begins with the premise that “the ability to select the location and type of housing a household can ‘afford’ is based upon household income and the supply/cost of housing.” It then examines issues related to housing that is affordable to buy and build. Strategies include the use of financial as well as legislative tools.

**Housing Availability** looks closely at the housing needs of special population groups. While these needs often overlap with affordability principles, there are additional issues to consider including location, special physical accommodations, and availability of supportive services. The special groups addressed in this section include ex-offenders, the homeless, persons with mental or physical disabilities, as well as the needs of youth and seniors.

The **Neighborhood Stability** section considers an underlying principle related to housing – and that is the neighborhood in which housing exists. A housing policy would be incomplete without considering the condition of neighborhoods – whether or not there are blighted properties, paved streets and sidewalks, and proximity to schools and shopping, etc. Crime and code violations are additional neighborhood considerations which are addressed in this section. Neighborhood stability is explored from the perspectives of physical, economic and social characteristics. Quality and functionality are also components of this discussion.

The creation of housing and improvements to neighborhoods require resources. The **Resources** section explores a variety of resources for single family and multifamily housing, as well as neighborhood stability. It outlines current allocations which are primarily federal or otherwise government-based, with recommendations to expand the resource base to develop and maintain affordable housing and stable neighborhoods.

Regional planning efforts led by the Regional Economic Area Partnership examined many of the issues presented in this housing policy. Staff participation in those discussions is one of many efforts to include and represent community input into this document. Special efforts were made to invite stakeholders to comment on the findings and recommendations. Their feedback is included at the end of the policy document.

This housing policy considers housing to be a basic human need and right – and beyond the human implications, it is also a tremendous community economic engine. This policy provides recommendations and strategies to achieve and support that goal.

# Wichita Comprehensive Housing Policy

## Current\* Conditions (\*2010 unless otherwise noted)

### HOUSING INVENTORY

The following is a review of the city of Wichita's housing characteristics. Information sources are the 2010 Census, 2014/2018 City of Wichita Consolidated Plan, Wichita Metropolitan Area Building and Construction Department, Wichita-Sedgwick County Planning Department and Wichita State University Real Estate Center. Data was compiled in September, 2014.

WICHITA HOUSING INVENTORY					
	1970	1980	1990	2000	2010
Total Housing Units	99,920	116,649	135,069	152,119	167,310
Owner Occupied	57,254	65,907	72,667	85,711	93,134
Renter Occupied	35,472	44,443	50,651	53,376	58,684
Vacant	7,094	6,299	11,886	13,032	15,492

HOUSING CONSTRUCTION BY YEAR							
1939 & Earlier	1940 to 1959	1960 to 1969	1970 to 1979	1980 to 1989	1990 to 1999	2000 to 2009	2010 or later
18,266	51,878	16,165	21,767	20,955	20,666	17,980	345

Given the large number of older homes, it is not surprising that many have code violations. The Metropolitan Area Building and Construction Department (MABCD) has approximately 3,100 active housing cases throughout the city. Over 700 of these cases have been placarded for non-occupancy. The sections of the city with the greatest number of active substandard housing cases are areas where the majority of the structures were built prior to and during World War II, and areas which have large populations of low to moderate income households.

MABCD initiates approximately 1,000 new housing code cases representing approximately 1,500 units annually. (Note: one housing case/property may have several housing units such as apartment buildings). Nuisance complaints outnumber housing complaints by over 6:1. MABCD initiates approximately 8,600 nuisance (which includes over 3,000 tall weeds) cases annually. In 2014, MABCD closed out 1,309 housing cases (over 1,700 units), took over 500 Minimum Housing Code cases to Neighborhood Court, closed out 8,206 Nuisance Code cases, took almost 800 to Neighborhood Court, and abated and or mowed 805 properties.

In 2014, MABCD staff performed approximately 32,000 inspections on minimum housing code and “neighborhood” zoning and environmental nuisance code cases (including tall weeds) and issued approximately 10,000 notices (initial “advisory” notices are no longer sent for housing cases and extensions are limited on all cases).

When a structure is vacant, badly deteriorated, not properly secured, and the owner has not responded to notices of violation, MABCD initiates the condemnation process. The condemnation process takes approximately one year from the time the initial condemnation case is generated to the actual removal of the structure and leveling of the lot. For example, a total of 40 condemnation cases were ‘worked’ by staff in 2014. Of that number 14 were demolished by the City’s contractor using both CDBG and MABCD funds.

## DEMOGRAPHICS

The type and condition of housing is tied closely to the demographics of Wichita’s population. The following chart provides such demographics taken from the 2010 Census.

HOUSEHOLD BY TYPE		
Types	Number	Percent <sup>1</sup>
Total Households	151,818	100%
Family Households <sup>2</sup>	94,862	62%
Family Households with related children under 18 years	50,001	33%
Married-couple Family	66,937	44%
Married-couple with related children under 18 years	30,690	21%
Female Head of Household	19,901	13%
Female Head of Household with own children under 18 years	12,416	14%
Non-family Households	56,956	38%
Householder Living Alone.	47,287	32%
Householder Living Alone, 65 Years and Over	13,811	9%

<sup>1</sup>Percentages reflect representation in the total (100%) population.

<sup>2</sup>According to the U.S. Census Bureau, a household that has at least one member of the household related to the householder by birth, marriage, or adoption is a “Family household.” Same-sex couple households are included in the family households category if there is at least one additional person related to the householder by birth or adoption. Same-sex couple households with no relatives of the householder present are tabulated in nonfamily households. Responses of “same-sex spouse” were edited during processing to “unmarried partner.”

The median age of Wichita residents has held constant at 33.4 years in 2000 and 33.9 in 2010. From 2000 to 2010, persons under the age of 19 remained constant at 30 percent of the City’s population. The number of residents 65 years or older remained constant at 12% in 2000 and 2010, which is just under the 2010 national average of 13%.



The Community Investments Plan goes into greater detail as to demographic projections and particularly the shifts which are forecast. Following is a synopsis of that information which identifies these shifts.

- The WSU CEDBR projects that the percentage of Sedgwick County residents over the age of 65 will increase from 10.9% in 2010 to 17.5 % by 2030 (a 60% increase).
- From 2000 to 2010, the percentage of households with children in Wichita dropped slightly from 32.1% to 30.7%. Some researchers are anticipating that by 2030, only 20-25% of all households nationwide will have children.
- Between 2000 and 2010, the percentage of single person households in Wichita remained unchanged at 31% (2010 national average was 26.7%). Some researchers are projecting that by 2025, between a third and half of all households nationwide could be single person households.
- Between 2012 and 2035, the Community Investments Plan forecasts a population increase of 101,458 people for Wichita based on a countywide annual population growth rate of 1.25%. Wichita's average household size is anticipated to fall from 2.53 persons/household in 2012 to 2.25 persons/ household by 2035. These trends translate into an additional 66,067 new housing units for Wichita by 2035. The Community Investments Plan projects that increased levels of residential infill and redevelopment in Wichita's Established Central Area (comprised of the downtown core and the mature neighborhoods surrounding it in a roughly three mile radius) will represent 12% (7,928 dwelling units) of the 66,067 new dwelling units forecasted for Wichita. This represents a three-fold increase from current infill trends.<sup>1</sup>

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<sup>1</sup>Community Investments Plan 2015-2035 Appendix

## DEVELOPMENT TRENDS

The housing market in Wichita has favored new construction in outlying areas, for single-family residences and apartments. Most of the housing units built since 2000 are located in the outlying areas of the city and marketed to middle and upper income households. Housing developments have been primarily focused in the northeast and western edges of the city. These developments are providing an important infusion into the local economy and are taking place primarily as a result of market forces, as opposed to government incentives.

Private developers cite many reasons for not building in older sections of the city. The most commonly given reasons are:

- Lack of buildable lots in central parts of the city.
- Difficulty and cost of assembling land from many owners.
- Lack of a market for single-family housing in the inner city.
- Negative perceptions about the Wichita School District.
- Lack of flexibility in regulations & conditions to accommodate newer housing styles and/or historic restrictions.
- Lack of sufficient incentives from government.

The Wichita Sedgwick County Planning Department has prepared a development trends summary report with maps that confirm that the majority of buildable lots are in the outer fringe areas of the city. However, despite the perceived difficulties associated with development in older sections of Wichita, some developers have realized success with center city housing development. Developers have converted vacant buildings in the Central Business District, into multi-family housing, both with and without government subsidies. According to the Wichita Downtown Development Corporation (WDDC) over 1800 persons lived downtown in 2014.

City recognized non-profit Community Housing Development Organizations (CHDOs) and for-profit developers have also experienced success in developing new housing within the city's Neighborhood Revitalization Area (NRA). In some cases, existing blighted structures in these areas, are being demolished in order to accommodate new home construction. However it should be noted that in many cases federal funding was needed to make the projects cash out, esp. given the appraisal process with regards to existing structures in depressed areas.

Some of the advantages of central city housing development include:

- City services are already in place.
- Amenities are easily accessible.
- Government incentives are available.
- Reduced transportation costs.
- Greater access to jobs within the city.
- Older city areas present opportunities for unique and creative development.

## **STANDARDS THAT AFFECT HOUSING**

Housing that is developed or rehabilitated in Wichita, must meet certain standards. Following is a list of general and program-specific housing standards.

- International Building Code (IBC)
- International Residential Code (IRC)
- Americans with Disabilities Act (ADA)
- Wichita Existing Building Rehabilitation and Change of uses Code
- Zoning Code
- Uniform Plumbing Code
- National Electrical Code
- International Mechanical Code
- Wichita's Minimum Housing Code
- Housing Quality Standards (HQS)
- Lead-Based Paint Regulation (HUD, State & EPA)
- International Energy Conservation Code

## **NEEDS ASSESSMENT**

The following sections of the Comprehensive Housing Policy describe specific needs and strategies, however the population and development trends listed herein, suggest a need for housing policies which address persons who have limited incomes and an aging housing stock. The following assessments address both the general and unique circumstances facing certain populations and City planners, with regards to access to safe, affordable housing for all.

## Wichita Comprehensive Housing Policy Affordability

Housing affordability is not complicated – everyone, regardless of income wants to be able to afford safe, comfortable housing. However just beneath the surface are two reasons that the lack of affordable housing can indeed complicate the goals of communities and their residents. Michael Rubinger, president and CEO of the Local Initiatives Support Corporation, responded to a Harvard housing study that found more than half of low-income tenants today spend more than half of their income on rent, by posing the question: “Why should the rest of us care?” He then answers the question: “We should care because the supply of decent and affordable housing is crucial to any local economy. When millions of people spend the bulk of what they earn on rent, it’s bad for business.”<sup>1</sup> In addition to the economic impact of having sufficient affordable housing, there is also an educational impact. Research by Johns Hopkins University reveals that in families that spent more than half their income on housing, the children’s reading and math abilities suffered. Interestingly in families that spent less than 20% of their income, the same results occurred with their children, with the assumption being such housing is likely to be of poor quality and in challenging neighborhoods.<sup>2</sup>

For all of these reasons and more, this report explores issues related to housing affordability, and strategies to address them.

**Definition.** Affordable housing, whether rented or owned, is commonly defined as housing which costs (including taxes, insurance, and utilities), 30% or less of a household’s gross annual income. Using this definition housing affordability becomes a function of household incomes, housing costs, and the cost of borrowing money. It is also very localized. For example, the Fair Market Rent (FMR) for a two-bedroom unit in the Wichita metro area is \$723. It is \$959 in Tampa, \$1,093 in Chicago, and \$1,809 in Sunnyvale, CA, according to the U.S. Department of Housing and Urban Development (HUD). Local differences in affordable home sales prices are equally distinct in these same areas. HUD has established the following maximum sales prices for homes purchased by first time homebuyers with HOME Investment Partnerships (HOME) funds: \$117,964 in Wichita; \$222,300 in Tampa; \$259,350 in Chicago; and \$551,000 in Sunnyvale. In Wichita officials lowered the cap to \$95,500 for new or existing homes subsidized with HOME funds.

The relationship between affordability and household income drives public policy in many ways, based upon the (perhaps oversimplified) assumption of three categories of households: those who have the desire and income to purchase/rent housing at any cost, including high end housing; those who have insufficient income to purchase/rent safe, decent housing without public assistance; and persons in the middle who may need assistance but who generally do not qualify for typical housing assistance programs. It is those who have insufficient income to which most public policy is directed, and this report follows that trend to a large degree. However the housing affordability needs of the middle-income group merit discussion as well. And as discussed later in this document, transportation costs are also a factor in determining affordability as it relates to household income.

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<sup>1</sup>CNN Opinion, Why U.S. Desperately Needs Affordable Homes, Michael Rubinger, April 28, 2014

<sup>2</sup>Governing.com, Affordable Housing Leads to Smarter Kids, Jonathan Walters, July 15, 2014

Goal. The fundamental goal is that every individual should have access to housing that is safe, decent, and affordable.

Current Status Real estate projections for Wichita reflect a growing market fueled to some degree by favorable interest rates. According to the J.P. Weigand annual real estate forecast, home sales are expected to remain steady in 2014. And although the National Association of Realtors would suggest the rising interest rates, escalating prices and lack of inventory might weaken sales, the relative affordability in Wichita may offset those factors. Similar optimism is noted in the 2014 Housing Market Forecast prepared by the Wichita State University (WSU) Center for Real Estate. The WSU report notes that mortgage rates will likely remain below 5.25% through 2015.

Based on work with non-profits in the development of affordable housing for moderate to low income persons, the recovery from the housing crisis has had a significant impact on the ability of this population group to qualify for home mortgages. While interest rates are favorable lenders have increased the credit score threshold from 625 to 640 in some cases. Also, new federal regulations imposed as a result of the housing loan crisis resulted in the tightening of credit standards and underwriting standards on the part of lenders, which has resulted in the inability of some otherwise creditworthy homebuyers to obtain mortgage credit.

#### Transportation and Housing Affordability

One factor which bears consideration in a discussion of affordable housing, is the impact of transportation costs on household budgets. There is a large body of evidence which closely links the relationship between these two. According to a publication from the Federal Highway Administration transportation is the second largest expense for most households after housing. Households living in auto-dependent locations spend 25 percent of their income on transportation costs. Housing that is located closer to employment, shopping, restaurants and other amenities can reduce household transportation costs to nine percent of household income.<sup>1</sup>

The Federal Highway Administration publication references findings from a report produced by the 2010 Center for Neighborhood Technology. According to that report which utilizes a Housing + Transportation (H+T) Affordability Index, 69% of communities in the U.S. are considered affordable using the standard measure of 30% of income. However that number drops to 39% when the H+T index is applied. In those cases, housing and transportation costs measure 45% of income.<sup>2</sup> The index is calculated by adding the housing and transportation costs and dividing by the household income.

Locally, the Partnership for Sustainable Communities initiative was created (and funded) to continue the discussion begun with Congressional directives to the Federal Transit Administration and HUD to explore and document the housing-transportation connection. The REAP-led South Central Kansas Prosperity plan received a Sustainable Communities planning grant for this purpose and its final report features a discussion on housing and transportation choices. A theme which resonated throughout the discussions of this plan was the need to 'connect' communities within segments of the region, and between regional

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<sup>1</sup>Center for Transit Oriented Development (2008) "The Affordability Index Toolbox" (Oakland, CA: Reconnecting America)

<sup>2</sup>2010 Center for Neighborhood Technology

jurisdictions. That connection could have a positive impact on housing and transportation costs for all segments of the population. During discussions of the Prosperity Plan, the Built Environment task force created the following goal statement: “to create connected communities that link people to jobs and services that enhance quality of life in urban, suburban, and rural environments”, and identified one of the greatest challenges as the need to enhance the availability and effectiveness of transportation choices.<sup>3</sup> Similarly the Transportation task force goal statement reflects the connectivity theme as well: “achieve a safe regional transportation system that includes strategic, responsive, and sustainable transportation choices”, and identifies one of the challenges as the need for better work-home connectivity.<sup>3</sup>

Because the research on this topic is limited in the local community, the balance of the affordability discussion will primarily focus on housing costs only. However it is done with a clear understanding and acknowledgment of the very direct relationship between housing and transportation costs on housing affordability.

#### Affordable to Buy

The following analysis uses the generally accepted definition of housing affordability – housing costs that do not exceed 30 percent of household income. It further accepts the Center for Housing Policy’s definition of housing costs as being rent or principal, interest, taxes & insurance combined (PITI).

The 2013 average sales price in Wichita was \$140,311, according to the Weigand Residential Forecast. In order for a house at that sales price to be affordable, household income would need to be at least \$34,500, with a 5% down payment (\$7,016). That salary would require an hourly wage of \$16.59. According to census information approximately 10% of households in owner occupied units and 17% of households in rental units have incomes in this range. Jobs in Wichita which pay these wages include dental lab technicians, paving, surfacing and tamping equipment operators, butchers and meat cutters, substance abuse counselors and animal control workers. These calculations demonstrate that a family earning less than the median income could in fact afford homes at the 2013 average sales price, however this represents front end calculations. Whether or not this household can afford the home must also consider all other debt – the back end calculation. Lenders typically want that figure to be no more than 36%-43% of the monthly income.

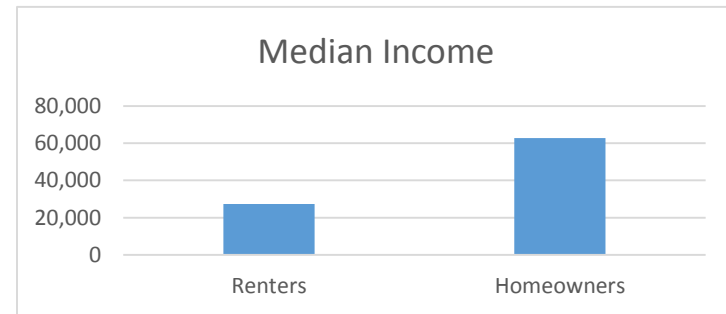
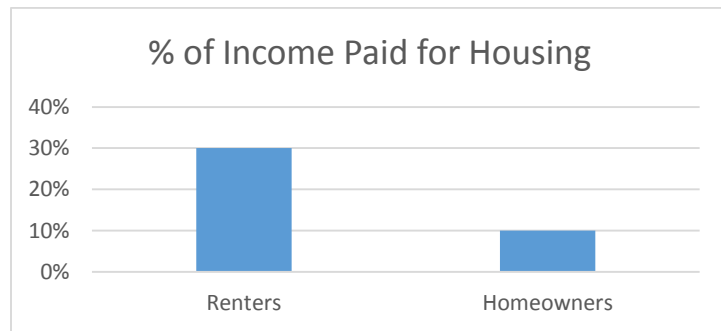
Section 8 Housing Choice Voucher holders have an option to pursue homeownership through the Homeownership Voucher program which is administered through Local Housing Authorities. The program allows eligible families to utilize their vouchers for mortgage payments for a period of up to 10 or 15 years (depending upon the term of the mortgage). The Wichita Housing Authority requires families with the goal of homeownership to participate in Family Self-Sufficiency program during which they receive counseling and workshop training on a variety of topics in support of their goals of homeownership.

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<sup>3</sup>South Central Kansas State of the Region, September 11, 2014 Draft

### Affordable to Rent

These favorable statistics for homeowners are not reflected in the rental market, however. According to 2010 Census data, rent payments consume more than 30% of the household income for 48% of renters in Wichita, while only 10% of owners pay more than 30% of their household income for their housing. The median income for homeowners is \$62,735 and for renters is \$27,400. To put these facts in perspective consider the circumstances of a two-parent, two-child household where the parents earn minimum wage (the 2015 minimum wage in Kansas is \$7.25/hour). Their annual income will be \$30,160 gross and approximately \$21,112 net, just under the \$23,550 federal poverty income for a household of four. If the minimum wage workers in Wichita paid unsubsidized Fair Market rent of \$723 for a two-bedroom apartment, the annual total rent would be \$8,676 or 37% of the household's estimated net annual income.



Another view on the rental dilemma was presented by the National Low Income Housing Coalition. The following statement is included in that Coalition's report titled, Out of Reach. "In the United States, the 2014 two-bedroom Housing Wage is \$18.92. This national average is more than two-and-a-half times the federal minimum wage, and 52% higher than it was in 2000. In no state can a full-time minimum wage worker afford a one-bedroom or a two-bedroom rental unit at Fair Market Rent."

The obvious conclusion may be that there is a need for increased affordable rental housing, especially considering homeownership forecasts in the WSU and Weigand reports which identify trends that may impact homeownership affordability. In the Weigand report the average price in 2013 for new and existing homes was \$140,311 which was a 6.3% increase over 2012. This data suggests that more Wichitans may soon experience increased homeownership costs, which could lead to a less affordable homeownership market, and greater need for affordable rental units.

In Wichita, the Housing Authority is the primary housing provider with affordable housing as its mission. Currently the housing authority has 578 units of Public Housing and over 2,600 Housing Choice Vouchers. Unfortunately however, the lack of federal funding to administer these programs results in less than 100% occupancy in Public Housing (90%), and less than 100% utilization rate for vouchers (approximately 2,377 vouchers in service) as of June, 2015. This funding dilemma has led the Wichita Housing

Authority to consider policy decisions which favor housing offerings to potential tenants and clients who are working and can therefore afford to contribute toward their rental costs. While that strategy addresses the need for administrative funding it is at the cost of reducing housing options for those who are among the lowest income persons and who are obviously most in need.

Despite the fact that many of current residents face housing challenges related to the changing employment environment, all indicators continue to support the fact that housing affordability (current and projected) will most likely continue to be much more favorable than in other parts of the country. This asset can and should be an important economic development tool when negotiating with companies to move to or expand their operations in Wichita.

#### Affordable to Build

One major factor in affordability is the cost to produce housing. Builder groups often claim—and government statistics support these claims—that home building traditionally leads the nation out of recession. Home building benefits not only the trades but also manufacturing, professional services, and even transportation. But the demand for new housing can cause shortages in labor and materials, which can lead to increased costs. Delays due to weather or permit issues also add to costs and these costs get passed on to the buyer. Builders of new homes typically operate on fairly narrow net profit margins of five to ten percent, so even a small spike in costs can cut drastically into a builder's profit and increase housing costs to buyers.

According to experts in the building industry, an experienced builder can help the homebuyer keep costs down through careful design and material selection. This process is called "value-engineering", and it is in best interest of the buyer to find a builder who thoroughly understands it. They also note, however, that while the building industry in general benefits from innovations in materials and methods, the independent builder is often not able to have much of an impact on overall housing affordability, due to size and cost.

There are also policy options which can bring down the cost of developing affordable housing. Those options include establishing measures and expanding incentives to preserve existing affordable housing, revising restrictive regulations which add to the cost of new housing construction, and establishing requirements or incentives to include affordable housing as part of all or certain new housing developments (inclusionary zoning). These options are discussed in greater detail in this housing policy.

#### Bringing Housing Costs Down

One of the key ways to achieve affordability in housing development is to increase housing density. Density restrictions are found at federal, state, and local levels, and can have a tremendous impact on housing affordability. For instance, zoning codes can impact the cost of building housing from several perspectives. Codes that permit five-acre plots for each single-family home add pressure to land supply. In addition, certain fixed costs for development of any parcel of land including site planning and permits, roads, power, sewer, and water, are factored into the selling price of the home that is built on the parcel. If zoning or other regulations limit the parcel to the construction of one house, all of those development costs will have to be borne by that single home, and will likely increase the price. If zoning regulations allow a higher density of housing—more houses per parcel—the builder can spread the land development costs over all of the housing units, so that each house would actually cost less to build and buy. The report of the



Partnership for Sustainable Communities discusses the need for this type of flexibility as a means of supporting creative re-use (and reduced construction costs), particularly on infill housing projects.

Another strategy that reduces housing costs for the homebuyer is the active participation of non-profit organizations and programs that specifically address housing affordability. Most of these programs utilize government subsidies for construction and homebuyer assistance. A key to the success of these entities in reducing the cost of housing development is their non-profit status and lower profit margin. Locally Wichita Habitat for Humanity, Mennonite Housing and Rehabilitation Services and Power Community Development Corporation have constructed the majority of affordable single family homes within the last 10 years: 228 out of 254 total constructed with City financial assistance/development subsidies. Those programs also include a focus on homebuyer education and in the case of Habitat for Humanity, homebuyer investment of sweat equity. These strategies tend to create a more responsible homeowner, which addresses the next discussion.

#### Community Attitudes Toward Affordable Housing

A major obstacle in the development and location of affordable housing is public perception. Historically middle and upper middle income community residents have opposed the development of 'affordable housing' in their neighborhoods. The opposition is based largely on myths and misperceptions of what affordable housing is, and on appraisal practices. Most homeowners have the perception that less costly housing in their neighborhoods will threaten their ability to maximize market appreciation and therefore negatively impact the appraisal value of their homes. Since homes are the owners' major financial assets, they often oppose government plans which reduce housing prices and/or allow apartments or other lower-cost housing to be developed in their neighborhoods. This is based on a myth that persons of different socio-economic classes and/or ethnic backgrounds, will be 'bad' for the neighborhood. Additionally homeowners generally oppose rental housing because of the transient nature of tenants and the belief that tenants will not care for the property with the 'pride of ownership'.

A key strategy to overcoming these fears is providing information. Local jurisdictions have used a variety of information and educational campaigns to overcome this barrier. When people learn that the starting salaries of police officers and teachers are within the eligibility criteria for Housing Authority rental programs and HOME-funded homeownership programs, opinions quite often change. The occupations below are most often used in public education campaigns and all would qualify for Public Housing with incomes under the maximum of \$50,150 for a family of four. Two of the Department of Labor's projected fastest growing jobs in Wichita (personal care aides and retail salespersons) would also qualify Section 8's family of four income cap of \$31,350.

Employee Group	Annual Mean Wage
Wichita Police Officer	\$44,761
Elementary Teacher	\$44,650
Licensed Practical Nurse	\$39,870

Employee Group	Annual Mean Wage
Personal Care Aides	\$20,730
Retail Salespersons	\$25,710

Samples of poster campaigns are included in the Appendix.

According to the Useful Community Development website, another strategy which could be considered involves developing affordable housing among commercial buildings, which would be less likely to generate outcry from the neighbors. That strategy does, however, require a shift in traditional thinking about where housing is located, esp. in the Midwest where yards and space are a premium housing amenity.<sup>1</sup>

#### Affordable Housing Education for Future Homeowners

Many would-be homeowners' dreams are dashed when years of credit overuse, poor spending and saving habits, and overall poor money management skills result in being turned down for a mortgage. Even if those with sub-par credit histories find a lender willing to finance a mortgage, the rates will reflect the risk and can increase the likelihood of default and the eventual loss of the home. In addition, personal financial illiteracy leaves people, especially low-income people, destined for a life of lack and dependency upon systems that do not always operate in the best interests of the consumer. This is detailed in a report published by the Brookings Institute which states:

*"In a variety of studies that measure financial literacy in different ways, households or individuals who are less financially literate have been found to be: less likely to own a checking account, an emergency fund, a retirement plan or stocks (Christelis, Jappeli, and Padula 2008; Hilgert and Hogarth 2003; van Rooij, Lusardi, and Alessie 2007) and more likely to take pay-day loans, pay only the minimum balance on a credit card, take on high-cost mortgages, have higher debt levels, and be delinquent on debt (Gerardi, Goette and Meier 2010; Lusardi and Tufano 2008; Moore 2003; Stango and Zinman 2008).<sup>2</sup>"*

Educational programs are available for families in need of credit counseling. One such program is the Freddie Mac CreditSmart program, which provides comprehensive credit education to assist individuals to build maintain good credit which can lead to homeownership. The program is available online and through local agencies.

Educators and financial experts agree that while remedial personal financial education is helpful, the time to learn to be a responsible money manager is as a child. The earlier children begin learning good spending and saving habits, the more likely he or she will develop good financial skills which will be useful to them as adults.

Toward that end, the 2003 Kansas Legislature enacted a law that requires the Kansas State Board of Education to implement a set of learning standards for personal financial literacy for grades K-12. Subsequently in December 2004, the State Board of Education adopted a set of personal financial literacy standards for grades K-12 as part of the State's History, Government, Economics and Geography standards. K.S.A. 72-7535 establishes financial literacy as a requirement for public and nonpublic schools, and will include financial literacy questions on the state assessments when they are next amended. USD 259 students must have one-half (0.5) credit in financial literacy, taken in the junior or senior year, as a graduation requirement.

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<sup>1</sup>Useful Community Development – [www.useful-community-development.org/mixed-use-development.html](http://www.useful-community-development.org/mixed-use-development.html)

<sup>2</sup>Brookings Institute, Financial Literacy: What Works? How Could It Be More Effective

Financial literacy education specifically and education in general, will have a significant impact on earnings, how money is managed and ultimately the ability to afford safe and decent housing. The following table, which is taken from the 2008-2012 American Community Survey, illustrates this point.

Supporters of economic and financial literacy in Kansas have been working to develop tools for teachers to use to help teach the next generation of Kansas students how to take care of themselves financially. The Kansas Council on Economic Education (KCEE), a 501(c)(3) organization based at Wichita State University, has developed web-based curricula for kindergarten through 12<sup>th</sup> grades which is provided at no cost to language arts and math programs in schools across the state. Many of their programs are in game format and are often created for competition within schools and between schools in Kansas. Program titles and artwork are youth-friendly: Gen i Revolution Personal Finance Game; Stock Market Game (for grades 3 to adult); and Financial Foundations for Kansas Kids. Sample artwork is located in the Appendix.

Median earnings for Wichita population over the age of 25:

Less than high school graduate	\$19,573
High school graduate (includes equivalency)	\$26,294
Some college or associate's degree	\$31,915
Bachelor's degree	\$44,163
Graduate or professional degree	\$57,556

Following are strategies to address the challenges related to affordability. These and all other strategy charts in this document have been presented to and discussed with a variety stakeholders for community validation.

## HOUSING AFFORDABILITY STRATEGIES

Barriers: Affordable to Buy	Strategies	Potential Partners
Lack of jobs paying above poverty levels	Invest in job training, placement and retention for persons earning very low or no wages	Workforce Alliance
	Include financial literacy in the job training program	Workforce Alliance
	Increase level of educational attainment for all residents	
Financing for low-income home buyers	Reduce the cost of financing for low cost housing Create and maintain list of lenders who offer low cost financing	City Housing & Community Services Dept. Nonprofit agencies
	Consider Limited-Equity Cooperatives to provide low cost, high density, resident controlled housing Introduce this concept to private investors and nonprofits Pilot the concept if interest is generated	City Redevelopment Authority City Housing & Community Services Dept. Private Investors Nonprofits Federal Government
	Provide comprehensive financial literacy training for homebuyers	Urban League of Kansas Non-profit organizations
	Provide financial education programs for K through 12	USD 259/Area school districts Kansas Council on Economic Education Nonprofit agencies
	Continue to allow Section 8 vouchers for home purchases	Wichita Housing Authority
	Develop a bond program to raise funds for an expanded lenders pool, provide low interest rates and low costs for eligible homebuyers	City Redevelopment Authority* City Housing & Community Services Dept. Private lenders Nonprofit lenders
	Continue to subsidize first time home buyers with down payment and closing costs	City Housing & Community Services Dept. Private lenders Nonprofit organizations
	Provide post-purchase counseling	Urban League of Kansas Nonprofit organizations
Lack of coordination of low cost housing construction and transportation planning	Establish transportation/housing development team to explore ways to better coordinate	Special task force
	Follow up on REAP Sustainability recommendations on these two areas	Housing & Community Services Metropolitan Area Planning Department
No connection between affordable housing and economic development	Designate economic development and housing staff for discussions on workforce housing and other related connections between the two, when recruitment packages are being considered	Special task force City Office of Urban Development
	Explore availability of funds from economic development sources to offset the cost of developing workforce housing,	Special task force City Office of Economic Development

Lack of sufficient low cost housing	Continue infill/new construction Continue boarded up building project	City Housing & Community Services Dept. Community Housing Development Organizations
	Update housing needs based on income and populations (annual)	Metropolitan Area Planning Department
	Prioritize incentives for construction in designated areas	City Office of Urban Development
	Encourage local builders to use available incentives	Wichita Area Builders Association Community Housing Development Organizations Nonprofit organizations
	Provide education to developers on Low Income Housing Tax Credit option for non-traditional financing for lease/purchase property development Developers pass savings on to eligible home buyers	City Housing & Community Services Dept.

<b>Barriers: Affordable to Rent</b>	<b>Strategies</b>	<b>Potential Partners</b>
Lack of affordable rental housing	Maximize use of Housing Authority Programs \$11.3M (new money) to house all on the S.8 waitlist (2,269 families)	City budget Alternate funding source
	Provide incentives to developers for rental housing, esp. for workforce housing	City Office of Urban Development City Housing & Community Services

<b>Barriers: Affordable to Build</b>	<b>Strategies</b>	<b>Potential Partners</b>
Increasing costs of housing materials	Research and develop alternative housing materials and methods	Wichita State University Metropolitan Area Building & Construction Dept. Kansas State University KOCH Industries
	Support Value-Engineering concepts in material selection and design, to keep costs down	Wichita Area Builders Association
	Relocate companies to Wichita that produce housing materials to increase the availability of housing materials produced in Wichita	Chamber of Commerce The Greater Wichita Partnership
Zoning	Increase allowable housing density	Metropolitan Area Building and Construction Dept. Wichita Sedgwick County Planning Department
Lack of incentives to create mixed income areas	Develop variety of incentives to encourage mixed income development	Wichita Area Builders Association City Office of Urban Development
Costs of energy efficient construction	Identify price point where the cost of energy star construction methods produce operational savings to the homebuyer	Wichita Area Builders Association

<b>Barriers: Policy, Regulatory, Community</b>	<b>Strategies</b>	<b>Potential Partners</b>
Lack of legislation which would increase availability of affordable housing options	Research legislative means to increase affordable housing opportunities Create a Community Land Trust/Bank	City Redevelopment Authority* City Office of Urban Development Wichita Area Builders Association
Appraisal systems discourage mixed income areas	Research appropriate mix for economic success Establish special appraisal system to encourage mixed income areas	Wichita Area Association of Realtors Economic Development Council City Office of Urban Development
The best infrastructure supports are in fringe areas, which results in higher profitability than is possible with core-area development	Create incentives to level the playing field with respect to infrastructure enhancements in the core Subsidize site prep and infrastructure costs	City Redevelopment Authority* City Finance Department City Housing & Community Services Dept. Metropolitan Area Business & Construction Dept. Wichita City Council
Lack of incentives to develop lower priced housing	Create incentives Create partnerships Promote successful programs Continue HOME 80 program Reduce or eliminate fees for low cost housing	City Housing & Community Services Dept. Wichita City Council Sedgwick County Metropolitan Area Building and Construction Dept.
Community attitudes toward mixed income neighborhoods	Educate the public on affordable housing through media campaigns Promote the message that affordable housing in suburban areas is acceptable and doesn't have to devalue property Review successful initiatives in other communities Partner with community groups to deliver these messages	City Housing & Community Services Dept. City Office of Urban Development District Advisory Boards (DABs) Wichita City Council Nonprofit organizations Community Housing Development Organizations
	Create incentives for homeowners to accept mixed income housing plans such as offering reduced insurance rates for homes located near affordable housing (for example)	City Redevelopment Authority* City Housing Advisory Board Wichita City Council Kansas Insurance Commissioner

\*The concept of a Redevelopment Authority is explored in a special section in the Appendix, and is presented as a possible tool for implementing several strategies presented throughout this document.

# Wichita Comprehensive Housing Policy

## Availability

Definition. Housing availability refers to housing which meets the diverse needs of all community members, accounting for mental and physical circumstances, income and household size. It should be considered a companion discussion to affordability issues as there are often very clear connections between the two.

Goal. The goal is to make safe, decent and affordable housing **available** to all persons.

- Safe – housing that meets minimum codes, is a deterrent to criminal activity, and is safe from lead, asbestos and other environmental hazards.
- Decent – housing that is well maintained and is of such quality that maintains or increases property values in the neighborhood.
- Affordable – housing that provides choices which meet the variety of the community's housing needs and which costs no more than 30-40% of household income. In Wichita there are a number of scattered affordable resources, however it is the Wichita Housing Authority (WHA) which is the largest provider of affordable housing in this community. WHA resources include 352 units of scattered site single family homes and 226 units in four multi-family structures. The WHA also provides appr. 2,600 Section 8 Housing Choice Vouchers. Both programs are 100% federally funded.

Current Status. The current status discussion will identify and explore the housing needs of various special needs population groups. These groups represent people whose situations place them in need of affordable housing, and for whom there are very limited housing options.

1. Very Low Income. There are two measures that the City of Wichita uses for identifying households as having very low incomes. The U.S. Department of Housing and Urban Development (HUD) defines very low income as households with less than 30% of the area median family income (AMFI). The U.S. Department of Health and Human Services (HHS) identifies families in poverty using specific income ranges. For a family of four, the HUD very low income level is \$23,850; the HHS poverty level income for a family of four is \$23,550.

Using the more 'generous' HHS poverty level, 16.5% (62,894) of the Wichita population have incomes at or below the federal poverty level, according to data from the 2008-2012 American Community Survey. Those persons are in 11,668 families.

Most federal and non-federal sources agree that 30% of household income is the threshold for calculating affordable housing expenses. In order for a family of four at the HHS poverty level to pay no more than 30% of their income for housing expenses, their rent or mortgage payments could not exceed \$589/month. In Wichita, the fair market rent for a two-bedroom apartment is \$723/month – without utilities. Using this as a guide, low income families would be forced to pay more than 30% of their income for housing expenses or live in substandard housing, or worse.

Low income persons and many of the following categories of special needs populations, also have transportation needs which must be factored into their housing choices. Having safe, decent and affordable housing with access to public transportation, is crucial for such persons to maintain employment, keep medical appointments, and access services such as grocery stores and other essential resources necessary to maintain a stable, functioning household.

2. Persons with Disabilities. According to the Americans with Disabilities Act ‘disability’ means, with respect to an individual:

- A. a physical or mental impairment that substantially limits one or more major life activities;
- B. a record of such an impairment; or
- C. being regarded as having such an impairment.

Using this definition persons with disabilities are included among special populations because of the strong likelihood that their housing needs include physical modifications as well as supportive services. Additionally persons with mental illness are very likely to have low incomes. Thus they are represented in two special needs groups.

A large majority of low income persons with disabilities rely solely on federal Social Security Insurance (SSI) payments as income, which results in their classification as among the nation’s poorest citizens. This is most likely to be the case for SSI recipients in Wichita since Kansas is one of a few states which does not supplement the SSI payment. The 2015 social security Cost of Living (COLA) increase raised the monthly payment for a single person to \$733. When annualized, this amount is far below the HUD and HHS poverty levels; rent for a one bedroom unit at FMR would cost 75% of the SSI recipient’s monthly income.

The Technical Assistance Collaborative (TAC) and the Consortium for Citizens with Disabilities published a report in 2013, titled “Priced Out in 2012”. TAC is a national nonprofit organization that works to achieve positive outcomes on behalf of people with disabilities and people who are homeless, by providing state of the art information, capacity building, and technical expertise to organizations and policymakers in the areas of mental health, substance abuse, human services, and affordable housing. The report confirms the Kansas situation noted above and is reflected in the following for Wichita, using 2015 SSI payments and 2015 Fair Market Rents.

SSI Monthly Payment	SSI As % of Median Income	% SSI for 1-bedroom (\$544)	% SSI for Efficiency Apt. (\$439)
\$698	21%	75%	60%



A quote by the TAC executive director is worthy of policy consideration: “Nowhere in the United States can people with disabilities receiving SSI afford a safe, decent place to live,” said Kevin Martone, executive director of the Technical Assistance Collaborative. “Yet taxpayer resources are spent exponentially on the costs associated with institutionalization and homelessness when more cost effective, proven solutions exist.”

One especially effective solution is the combined housing and supportive services model which HUD funds through its Shelter Plus Care (SPC) and Permanent Supportive Housing (PSH) programs. In 2014, there were 413 total permanent Supportive housing beds in Wichita: 112 SPC and 301 PSH. According to American Community Survey data for 2013, 12.6% (over 4,800 persons) of the Wichita population has one or more disabilities. Clearly there is a large gap between need and availability.

People with disabilities are often priced out of every housing market with few affordable housing options from a strictly financial perspective. In Wichita affordable housing options for this population includes the Wichita Housing Authority and programs like The Timbers and Kansas Elks Training Center for the Handicapped (KETCH). Aside from cost considerations this data does not reflect the variety of special housing features that may be needed to address certain disabilities among this population. Locally, the Independent Living Resource Center provides a variety of supportive services to help persons with physical, mental and developmental disabilities live as independently as possible, including identifying housing which includes modifications for certain disabilities. This agency also administers funds to make modifications to housing to accommodate the special needs of the over 2,000 individuals and families they serve each year.

The Shelter Plus Care program which is operated by Sedgwick County COMCARE, also provides support services to households who qualify for housing subsidy vouchers due to a mental or physical disability.

A basic premise of this policy document is the need to preserve and increase the stock of permanent affordable housing for those living in poverty. This includes many persons who have disabilities, who also need to have access to mainstream support services including mental health services, employment, Medicaid, financial support and other community resources to find and sustain long-term housing stability.

3. Seniors. According to the 2010 U.S. Census, 24% of all homeowner households in Wichita were headed by persons age 65 and over; 13% of renter households are reported to be over 65 according to the 2010 census. Statistics from the Wichita Housing Authority (October, 2014) indicate 5.9% of all Public Housing tenants (approximately 96 persons) and 3.5% of Section 8 Housing Choice Voucher households (230 persons) are headed by persons over age 65. The overall statistics are fairly constant with the 2000 census (24.5% homeowners and 11% renters).

Just as is the case for the disabled population, many seniors over the age of 65 rely on social security as their main source of income. In Wichita, the 2008-2012 American Community Survey reports that 9% of persons over the age of 65 are living below the poverty level. Additionally no significant growth in that age group is projected by the WSU CEDBR. Hence addressing the housing needs of this population is an achievable goal given a focus on proven strategies and best practices.

The Central Plains Area Agency on Aging describes housing options available to seniors as: independent living; assisted living; home plus facilities; and nursing homes. As has been noted elsewhere in this report, these types of facilities are also sought for persons of any age who have physical or mental disabilities. However with this focus, the housing needs of these populations can be addressed with positive results.

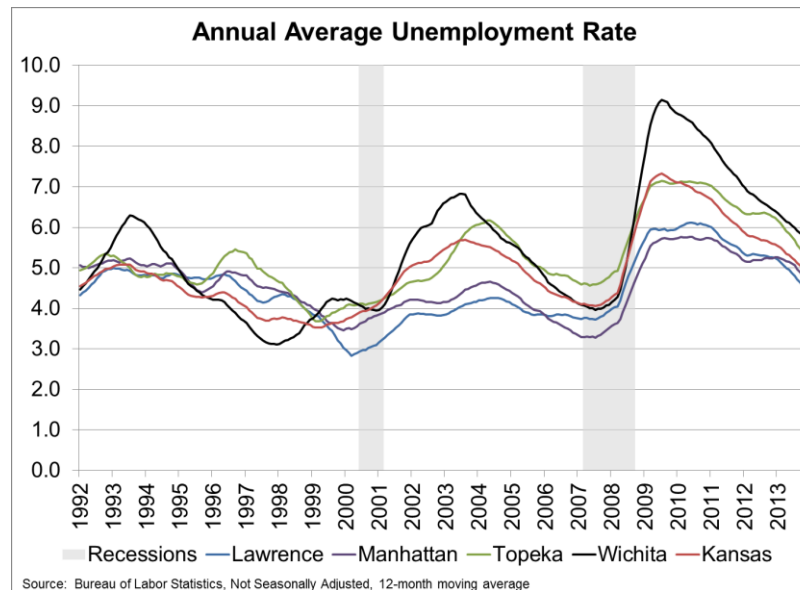
4. Single heads of household. The 2010 U.S. Census data reports 14% of owner-occupied housing is headed by single persons (up from 12.4% in 2000), and 26% of renter households are headed by single persons (up from 21.4% in 2000). The City's Public Housing and Section 8 Housing Choice Voucher program participants confirm this data for their renter households. Statistics gathered in October, 2014, report that 92% of Public Housing households are single persons. Similarly 95% of the Section 8 households were headed by single persons at that time. These data suggest that single heads of households by virtue of the one income source, are more likely to require some type of housing subsidy.

A special subset of this population is victims of domestic violence. Local program providers indicate that housing for this group is made more difficult due to safety concerns and the need for ongoing counseling for the survivors. In addition the survivors often have to deal with the court system relative to the abuser, continuation of the children in school, and the challenge of obtaining and/or maintaining employment. Local service providers included the following statistics in their application for 2015 Community Development Block Grant funding: according to the latest statistics available from the Kansas Bureau of Investigation (2013) Sedgwick County accounted for 6,636 cases of domestic violence (28% of the state total), and Wichita accounted for 94% of the Sedgwick County number; the average stay in shelters is 34 days; over 500 people were turned away from shelter during 2013 due to lack of space. There is only one transitional housing program specifically for this population and their capacity is 15 families who can stay up to two years in one of their housing units.

One bright spot in this discussion is the City's HOMEownership 80 program which provides assistance to single heads of households with loans for downpayment and closing costs. During a four year period from 2010 through 2013, nearly half (61) of the 125 households assisted with homebuyer assistance, were single persons. With extensive homebuyer education and careful attention to safe mortgage financing, this program has realized significant success in the stability of such households once they make their purchase. That further reinforces the reality of Section 8 and Public Housing households – there is a large and growing need for such programs which subsidize the housing costs for single heads of households.

5. Persons in job transition due to layoffs and new job growth areas

The unemployment rate in Wichita has been in flux for the past 20 years. According to a report from the WSU Center for Economic Development and Business Research (CEDBR), the rate is coming down but is still greater than the state of Kansas and three other metropolitan areas. The following chart is from the June 2014 report published by the CEDBR.



In addition to the local research data, numerous reports confirm that the Wichita area experienced a loss of over 20,000 jobs since 2008. The job loss reflects reductions, closures or company moves associated with the aviation industry upon which much of Wichita's employment economy is based. This data supports the need for affordable housing and in many ways also reflects the need to provide specific assistance to persons who have lost jobs recover from foreclosures, evictions, etc.

U.S. Department of Labor (DOL) statistics project the occupations with the largest projected growth rate to the year 2022 will be personal care aides, registered nurses and retail salespersons (in that order). The DOL also lists the mean annual wages for these occupations in Wichita: personal care aides - \$20,730; registered nurses - \$53,070; and retail salespersons - \$25,710.

An online mortgage calculator was used to determine the home sales price which would be affordable for each salary range, with the assumptions listed:

Salary	Monthly Debt	Dnpymt	Closing Costs	Prop Tax	Insurance	Interest	Term	PITI	Total Debt	Sales Price	Monthly Payment
\$20,730	\$300	\$9,517	\$483	1%	0.5%	4.5%	30 yrs	28%	36%	\$48,285	\$337
\$53,070	\$300	\$8,176	\$1,824	1%	0.5%	4.5%	30 yrs	28%	36%	\$190,535	\$1,238
\$25,710	\$300	\$9,317	\$682	1%	0.5%	4.5%	30 yrs	28%	36%	\$77,528	\$471

According to the South Central Kansas MLS listings the average home sales price on April 1, 2014 was \$128,701; on April 1, 2015 it was \$140,056 for existing homes. The situation is more challenging for the average price for new homes for the same

periods: \$259,435 and \$265,863. Based on these figures only the registered nurses in the top three primary job growth categories can afford the average sales prices of existing homes in Wichita.

6. Veterans. According to the 2012 American Community Survey, 11% of Wichita's population over the age of 18, are veterans. That data also list the median income for this population at \$36,085, which is slightly higher than the non-veteran population. The U.S. Departments of Housing and Urban Development (HUD) and Veterans Affairs (VA) have partnered since 2008, to provide housing vouchers for veterans through a program known as Veterans Affairs Supportive Housing or VASH. The program combines Housing Choice Voucher (HCV) rental assistance for homeless veterans with case management and clinical services provided by the VA. Although this resource is available, there are a limited number of vouchers for use in Wichita. As of June, 2015, funding is available for 198 vouchers for homeless veterans, with a usage rate of 94%. During the 2014 homeless point in time count, 62 persons self-certified that they were veterans and without housing.

In October, 2014, the City of Wichita became a part of the Mayor's Challenge to End Veteran Homelessness by the end of 2015. That is being accomplished through the active use of VASH vouchers and the Continuum of Care community collaboration.

According to the National Coalition for Homeless Veterans website homeless veterans face a series of significant barriers and challenges to housing stability. The following quote from their "Frequently Asked Questions" illustrates this point.

*"In addition to the complex set of factors influencing all homelessness – extreme shortage of affordable housing, livable income and access to health care – a large number of displaced and at-risk veterans live with lingering effects of post-traumatic stress disorder (PTSD) and substance abuse, which are compounded by a lack of family and social support networks."*<sup>1</sup>

7. Youth at risk/ Foster care graduates. Some foster care graduates can be defined as youth at risk but not all youth at risk have come through the foster care system. Regardless of how they reached the point of vulnerability, this population does have something in common. They are generally not prepared for independent living and often fall victim to the hazards of life on the streets. Much research has been conducted to identify the common themes and risk factors facing these populations.

One research report, On Your Own Without A Net: The Transition to Adulthood for Vulnerable Populations presents results of a study that documents the special challenges facing seven vulnerable youth populations during the transition to adulthood: former foster care youth, youth formerly involved in the juvenile justice system, youth in the criminal justice system, runaway and homeless youth, former special education students, young people in the mental health system, and youth with physical disabilities. The starting point in evaluating the needs of this population is captured in the following statement: *During adolescence, government programs have been a major part of their lives, yet eligibility for most programs typically ends between the ages of 18 and 21.*

The report details what happens as a result of the vulnerability of homeless and runaway youth as it relates to housing. "The instability of shelters and other more precarious housing (e.g. abandoned buildings and public parks) increases the difficulties

associated with trying to attend school or find and keep a job.”<sup>2</sup> It is clear from this research as well as common sense logic, that in order for young adults to overcome the challenges that resulted in them being on the streets, a first step is stable housing.

In Kansas the Department for Children and Families provides an Independent Living Program which specifically supports young people who have ‘aged out’ of foster care at age 18, and enter into what the system refers to as “emancipation”. The state offers programs and services made possible through the John H. Chafee Foster Care Independence Program which is federally funded and available to states for implementation. Services in Kansas include education (remedial, high school, post-secondary), career and job planning and training, medical care coverage, and subsidies for room and board.

In 2011 then-Mayor Carl Brewer convened an informal work group to discuss issues related to youth on the streets and to explore strategies for moving them into housing. Participants included nonprofits, faith based groups, providers of temporary shelter and transitional housing, street outreach teams, and City, County and State government officials. One product of those efforts was an identification of needs and resources related to permanent housing and preparation of youth for independent living. When the meetings concluded in 2012 there were 76 transitional housing beds identified, with approximately half designated exclusively for young adults. There are specific requirements necessary to enter many of these programs which results in approximately half being available without application barriers.

That work did not result in identification of permanent affordable housing which would be the next step after transitional living. Thus the need for affordable housing for this population is not unlike that of other special populations with the exception that young people either on the streets as runaways or those who do not participate in programs offered for aged out foster care, have their age and lack of positive adult experiences working against them as well.

8. Homeless. The definition of homelessness was revised by HUD in 2009 with implementation of the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act. It now includes four categories of persons:
  - (1) Individuals and families who lack a fixed, regular, and adequate nighttime residence and includes a subset for an individual who resided in an emergency shelter or a place not meant for human habitation and who is exiting an institution where he or she temporarily resided;
  - (2) individuals and families who will imminently lose their primary nighttime residence;
  - (3) unaccompanied youth and families with children and youth who are defined as homeless under other federal statutes who do not otherwise qualify as homeless under this definition; and
  - (4) individuals and families who are fleeing, or are attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member.

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<sup>1</sup>National Coalition for Homeless Veterans, [nchv.org/index.php/news/media/background\\_and\\_statistics/#facts](http://nchv.org/index.php/news/media/background_and_statistics/#facts)

<sup>2</sup>On Your Own Without A Net: Transition to Adulthood for Vulnerable Populations, p. 184.

HUD requires communities to conduct a Point in Time count in January at least every other year to obtain a picture of the homeless population for planning and funding purposes. In Wichita that count is conducted annually. On January 29, 2015, there were 561 homeless persons documented at the Point in Time event which has been held at Century II since 2011. Of that number 462 were in emergency shelter, transitional housing or the Safe Haven; the remaining 99 were presumed to be living on the streets, with family or in places unsuitable for human habitation such as vehicles. The 2014 inventory of year round beds for homeless households included 394 in emergency shelter, 199 in transitional housing, and 418 in 11 different permanent supportive housing programs. While the availability of 1,031 year round beds is somewhat encouraging the non- emergency shelter programs have little to no capacity for expansion. Thus the emergency shelter programs have limited options for moving participants into more permanent housing.

Permanent housing for the chronically homeless is available through the City's Housing First program, which is jointly funded by the City of Wichita and Sedgwick County. That program has funding to provide up to 64 chronically homeless individuals with permanent housing with no specific requirements other than the individual who is housed must abide by the lease and meet with a case manager once/week in their home. The program has been in place since 2009 and has housed over 200 persons. This initiative was one of five recommendations of a City/County Task Force on Ending Chronic Homelessness.

9. Ex-Offenders. Available data confirm that a significant number of prisoners in the Kansas Department of Corrections (DOC) system, are from Sedgwick County. In that agency's 2014 annual report Sedgwick County residents accounted for 981 of the total of 3,714 admissions that year, or 27%. In that same year Sedgwick County received nearly one-third of offenders released – 850 or 27% of the 3,154 total releases.

The Department of Corrections report also notes that the incidence of mental illness in the inmate population is significant and growing. In 2014 37% of inmates had a mental illness diagnosis. The Department noted the difficulty in placing such persons in appropriate housing areas within their system. Community corrections staff face a similar challenge when mentally ill ex-offenders return to the community with no specialized housing available for them.

The needs facing returning offenders has been the subject of several community efforts to develop and implement strategies to ensure successful reentry. In 2002 Wichita State convened the Wichita Assembly where local and state government and professional services leaders engaged in dialogue on this subject. From that meeting the Joint City/County Offender Reentry Task Force was named to further explore the recommendations from the Assembly. The Task Force held a series of meetings in 2003 and presented a report and recommendations to the City Council and County Commission in 2004.

There were seven housing recommendations in that report. Following is a list of those recommendations and the current status. They are repeated in this housing policy document because the recommendations which have not been implemented remain valid and necessary to ensure the availability of appropriate housing options for returning offenders.

- i. Establish an Offender Housing Specialist to link housing service providers and corrections. *The DOC has four Offender Housing Specialists in different parts of the state, who help returning offenders with housing needs.*

- ii. Work with local housing service providers to identify ways to track returning offenders with housing needs, and to establish protocols for making referrals to and access local housing services. *Locally, the DOC Housing Specialist has extensive outreach to local housing services providers, including City and County Housing Authorities. The Housing Specialist also has established and maintained a protocol with staff in correctional facilities as to how to prepare the returning offenders for a success release experience.*
- iii. Establish relationships with local landlords to remove barriers to returning offenders accessing affordable housing. *The DOC Housing Specialist has established numerous relationships with landlords across the city and also works with DOC team members who are in the correctional facilities, to identify and address barriers to a released offender's safe return to the community.*
- iv. Establish contact with case managers in the facilities to identify offenders scheduled for release with housing needs, so those needs are addressed prior to release. *The Housing Specialist has constant contact with all of the Release Planners in the nine correctional facilities across the state of Kansas. Housing plans made during those contacts are further enhanced by parole officers who make pre-release visits to home addresses where offenders plan to return, confirming suitability, etc.*
- v. Dialogue with HUD and local providers to remove barriers to offenders being considered eligible for existing housing services. *The DOC Housing Specialist is a member of the local Continuum of Care and is in regular contact with HUD-funded agencies and thereby aware of housing opportunities for returning offenders.*
- vi. Procure technical assistance to assist in developing strategies for accessing future HUD and other funding to meet the housing needs of returning offenders, through a partnership between corrections, local housing/service providers and the city. *This recommendation was not implemented as stated, however local partnerships do exist among these entities.*
- vii. Review existing licensing requirements for alternative corrections housing to ensure they are not unduly prohibitive to offenders having access to housing and housing services. *This recommendation was placed on hold by the City of Wichita.*

The Wichita City Council did not approve the implementation plan, but did approve the recommendations. The matter was referred to the District Advisory Boards (DABs) and the original Alternative Correctional Housing Board for further review. This has not come back for public discussion since that time although the original New Communities Initiative program was developed in large part to provide housing and related resources in zip code 67214 for returning ex-offenders.

One housing option for ex-offenders is the Oxford House program. There are three houses in Wichita which serve a population which comes from jails, prisons and other institutions. According to their website, the Oxford House program is a democratically run, self-supporting and drug free home.

Federal regulations do not prohibit admission of ex-offenders into Public Housing or Section 8 programs (except under certain circumstances), however given the long waiting lists, it is unlikely that this resource is a viable housing option for this population in the short or long term.

10. Persons Living with AIDS. According to the 2012 Kansas HIV/AIDS Program annual report, there were 55 new cases of HIV and AIDS reported during that year in Region 8 (which includes Sedgwick County), and 797 persons presumed to living with HIV/AIDS, and a cumulative total of 1,246 cases ever reported to that program. According to the same report, over half of the total cases in Region 8 are in Sedgwick County. As in the case of nearly every special population reported in this policy paper, this population is highly likely to be poor and have limited choices for safe, affordable housing. Throughout many communities, persons living with HIV/AIDS risk losing their housing due to compounding factors, such as increased medical costs and limited incomes or reduced ability to keep working due to AIDS-related illnesses. The HOPWA (Housing Opportunities for Persons with AIDS) program is the only federal funding source dedicated to addressing the housing needs of persons living with HIV/AIDS and their families. The Kansas Department of Health and Environment administers the grant by partnering with nonprofit organizations and housing agencies to provide housing and support to these persons.

Locally, Kansas Care Through Housing (KCTH) is the HOPWA administrator, and helps this population access short term and tenant based rental assistance. Clients are limited to two years of participation on the Long Term/Tenant Based Rental Assistance program. They can also access transportation, nutrition and counseling services through the entity. In 2012 KCTH helped 148 households with housing assistance; 146 households in 2013; and 102 as of October 6, 2014.

It is clear from this review that the availability of affordable housing takes on special significance for the special populations highlighted herein: very low income, persons with disabilities, seniors, single heads of household, persons experiencing layoffs and job transitions, veterans, youth at risk, ex-offenders and persons living with HIV/AIDS. While there is a common theme of affordability among these populations their unique needs add an additional dimension to the search for housing,

In addition to consideration of these specific population groups and their unique housing needs, it is also important that the comprehensive housing policy discussion include the quality of existing housing. Following are conditions which are likely to be present in much of the housing stock in existing neighborhoods: asbestos laden building products (up to 1960's), lead based paint (up to 1978), homes with no plumbing, HVAC or electricity, mold and insect infestation, substandard wiring and ground outlets, inadequate electrical service, and inadequate insulation. These conditions create safety hazards as well as diminish the life of the structures and the people who occupy them. Unfortunately such conditions often result in reduced rent and the units are often occupied by lower income persons who cannot afford to pay market rent for safer housing.

The following strategies are presented to provide options for addressing the specific needs of Wichita's special populations as well as the availability of housing which is free of hazards associated with age and construction.



## HOUSING AVAILABILITY STRATEGIES

**Safe:** housing that meets minimum codes, is a deterrent to criminal activity, is safe from lead, asbestos & other environmental hazards

<b>Barriers: Safe</b>	<b>Strategies</b>	<b>Potential Partners</b>
Lack of sufficient safe, affordable housing for all special populations	Annually identify number of additional safe housing needed for special populations	City Housing & Community Services Department Sedgwick County Department on Aging
Code enforcement challenges	Strengthen code enforcement Identify community-based partnerships	City Housing & Community Services Dept. City Office of Community Engagement Wichita Independent Neighborhoods Metropolitan Area Building & Construction Dept.
Vulnerable neighborhoods, often directly related to household income	Provide home repair upgrades Strengthen neighborhood watch programs Expand community policing	City Housing & Community Services Dept. City Office of Community Engagement Wichita Independent Neighborhoods City Police Department
Deferred maintenance due to age of current housing stock and cost of rehab	Seek funding Support ongoing programs	City Housing & Community Services Dept. Wichita Independent Neighborhoods Nonprofits
	Provide information and tools (HCSD handbook; Channel 7) Provide instruction Provide hands-on assistance Provide tools (tool lending) Develop home repair funding pool	City Housing & Community Services Dept. Wichita Independent Neighborhoods Nonprofits Private sector (Home Depot, Lowe's, etc.)
Environmental conditions	Evaluate trouble spots Identify clean up or reuse plans Enforce demolition standards Enforce housing rehab standards	City Housing & Community Services Dept. Metropolitan Area Building & Construction Dept. Kansas State government
Housing that does not meet current codes regarding electrical, plumbing, asbestos, lead-based paint	Strategic deployment of code inspectors in partnership with home repair staff options (similar to START program) Develop fund to address repair needs for low income owner-occupied structures and/or rental property	MABCD Housing and Community Services Redevelopment Authority
Housing that is beyond repair	Identify funds to quickly demolish blighted property and rebuild safe affordable housing	Housing and Community Services CHDOs Redevelopment Authority
Sub-prime rental market	Institute a rental registration program	Wichita City Council Metropolitan Area Building & Construction Dept.

**Decent:** housing that is well maintained and is of such quality so as to maintain or increase property values in the neighborhood

Barriers: Decent	Strategies	Potential Partners
Neighborhoods with declining housing values	Address poor conditions systematically by neighborhood	Metropolitan Building and Construction Dept. City Office of Community Engagement City Housing & Community Services Dept.
	Implement policy strategies to improve conditions	Metropolitan Building and Construction Dept. City Housing & Community Services Dept. Wichita City Council Kansas State government
	Implement urban redevelopment plans to create/improve housing	City Redevelopment Authority
Lack of incentives for mixed income neighborhoods	See Housing Affordability section	

**Affordable:** housing that provides choices which meet the variety of the community's housing needs and which costs no more than 30-40% of household income (also see charts in the Affordability section)

Barriers: Affordable	Strategies	Potential Partners
Developer cost for land acquisition, site prep and infrastructure	Establish cost sharing between the City and developers Establish Housing Trust Fund using fees charged for development outside the core, to support inner core development Explore bond financing program for infrastructure	City Finance Department City Office of Urban Development City Housing & Community Services Dept. Wichita Area Builders Association Sedgwick County City Redevelopment Authority
Lack of housing stock which is affordable to persons at 81% and above the AMFI	Reduce site costs Tie to economic development	City Redevelopment Authority City Office of Urban Development
Downpayment and closing costs	Seek funding to expand grant and loan programs Seek and support applications for Affordable Housing Program (AHP)	City Housing & Community Services Dept. Lender pool/Lenders Nonprofits
Limited resources to increase housing options	Explore feasibility of establishing TIF districts for residential development Identify legislative changes required	City Redevelopment Authority City Office Urban Development Wichita City Council Kansas Legislature Sedgwick County USD 259
	Engage lending institutions in aggressive community development	Local banks

**Special Needs:** housing that meets the specific and unique needs of identifies special population groups

<b>Barriers: Special Needs</b>	<b>Strategies</b>	<b>Potential Partners</b>
Lack of affordable housing for the working poor	Create more housing affordable for very low income persons through current federal programs Explore new funding sources for housing development, including IRBs Explore the feasibility of creating residential TIFs	City Housing & Community Services Dept. City Redevelopment Authority Kansas Dept. for Children and Families City Office of Urban Development
	Assist low income persons obtain jobs Develop partnerships with employers Create incentives for developers to train the very low income	WSCCAP WABA Workforce Alliance Others to be determined
Lack of housing options for persons with disabilities	Identify housing options tied to services Create or expand supportive housing services	Kansas Dept. for Children & Families Local nonprofits
Lack of housing options for seniors	Create senior housing in a quality, supportive living environment with necessary assisted living resources	Sedgwick County Dept. on Aging Wichita Housing Authority Local nonprofits
Lack of housing options for veterans	Identify housing options tied to services Explore funding options Create or expand transitional and permanent housing options	Mayor's Challenge Wichita Housing Authority Veterans Administration Local nonprofits
Lack of housing options for youth at risk/emancipated foster care	Identify housing options tied to services Insure that Kansas accesses available funds to provide supportive housing and services for this population Expand transitional housing for this population	Kansas Dept. for Children and Families Kansas Children's Services League
Lack of affordable housing for homeless individuals and families	Expand the Housing First model to increase capacity	City Housing & Community Services Dept. Sedgwick County Community service providers
Lack of affordable housing for persons with felony convictions (ex-offenders); lack of access to existing housing by persons with felony convictions	Establish housing inventory among current landlords who accept ex-offenders Investigate options for housing certain ex-offenders Create a landlord resource guide Create transitional housing and services for ex-offenders Seek non-traditional funding partnership with State corrections agencies, to establish more housing and more related supported services Use inmate and offender labor to rehabilitate existing housing to transform neighborhoods	Sedgwick County Wichita Housing Authority Kansas Department of Corrections Kansas Housing Resources Corporation H.O.P.E., Inc./H.O.P.E. Properties
Lack of affordable supportive housing for persons with disabilities, seniors, youth, and persons with HIV/AIDS	Explore funding options Create public-private partnerships	City Housing and Community Services Dept. Sedgwick County COMCARE and Office on Aging Other nonprofits

# Wichita Comprehensive Housing Policy

## Neighborhood Stability

Definition. Neighborhood stability is impacted by the physical, economic and social features of neighborhoods and, according to the Center for Community Progress are those features which, when strong, contribute to the preservation and potential increase in neighborhood property values.

Goal. The goal of this policy component is to make safe, decent, affordable and marketable housing available to all persons in stable neighborhoods using public policy (and public resources as needed), to stimulate and promote rehabilitation, redevelopment and homeownership within the city.

Following is a brief assessment of the three neighborhood features listed above. However it should be noted that neighborhoods that would score high on physical, economic and social indices, often have very little written about them. They are of course a source of pride for the community and are places where people who can afford to, desire to live. The objective of this policy is to increase the number of such neighborhoods in Wichita, with a special focus on the conditions and barriers to that outcome in many current neighborhoods.

Current Status. Wichita has a rich diversity of neighborhood types with varying degrees of investments by residents and stakeholders. For instance, there are seven residential historic districts with housing structures that contribute greatly to the area's culture and sense of place: Bitting; North Market St. Apartments; North Topeka Apartments; North Topeka Avenue/10<sup>th</sup> Street; Park Place/Fairview; Topeka/Emporia; and Winders. Additionally, many neighborhoods in the city's core have participated in short and long range planning sessions, applying the Strengths, Weaknesses, Opportunities, and Threats (SWOT) approach to identify their challenges and strategy options. Neighborhoods in the city's fringe areas don't participate in the planning process to a great degree but are focused on maintaining their property standards and quality of life.

Wichita also has engaged communities which have produced 10 neighborhood and area plans since 2000. These plans support redevelopment of existing mature neighborhoods, with infill and revitalization guidance and strategies. Housing policy strategies must be developed in accordance with existing planning documents prepared with significant neighborhood input.

### **Physical Characteristics of Wichita Neighborhoods**

Wichita also boasts many neighborhoods where property conditions are at acceptable levels, where property owners have a commitment and the resources necessary to maintain their property. Wichita is also making progress toward increasing the availability of downtown living, where the environment looks much different than the traditional neighborhood, and where there are decidedly more options for shopping, dining and entertainment.

The Sedgwick County Appraiser's office provides data on housing conditions through its CDU (condition, desirability and utility) scoring, which is useful in assessing specific neighborhood housing challenges. Condition is a reflection of the physical condition; desirability considers external influences such as location, etc.; and utility refers to the level of public and private services to the home and whether they are in line with what is expected in a neighborhood. The following chart represents Wichita's housing on the CDU scale:

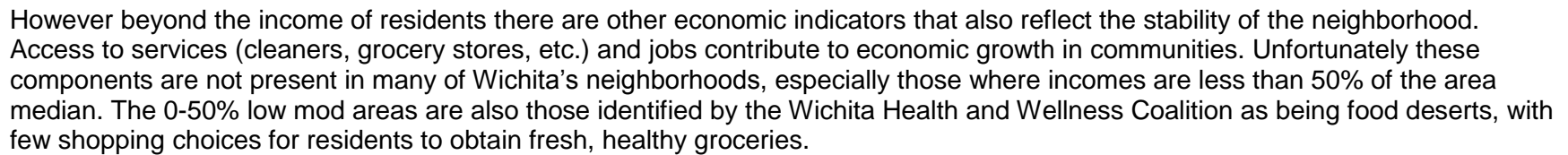
CDU	Living Units	% of Units	Subtotal % of Units	Category
1	186	0.14%	0.5%	Excellent
2	60	0.05%		
3	390	0.30%		
4	322	0.24%	4.0%	Very Good
5	2,831	2.15%		
6	2,078	1.58%		
7	16,846	12.81%	83.4%	Average
8	7,248	5.51%		
9	85,529	65.06%		
10	3,064	2.33%	11.4%	Fair
11	11,387	8.66%		
12	508	0.39%		
13	916	0.70%	0.8%	Poor
14	64	0.05%		
15	33	0.03%		
<b>Totals</b>	<b>131,462</b>	100.00%	100.0%	

The Housing Conditions map in the Appendix puts these percentages in perspective. Most of the fair and poor units are in the core, which supports data reported in core area neighborhood plans. The Central Northeast Area Plan Update reports nearly half of the housing units were rated as fair by the County appraiser in 2005, as opposed to 11% overall in 2014. According to the South Central Neighborhood Plan, 12% of the housing in that neighborhood was rated as poor or worse (as compared to a 0.8% poor rating for housing in the city as a whole in 2014).

Hilltop and Planeview are two other areas with a large number of poor housing conditions, despite efforts by public and private resources to sponsor improvements and new investments.

There are obviously many localized challenges associated with the physical condition of housing in Wichita.

Information is available from the 2012 census which identifies neighborhoods by various levels of residents' incomes. Not surprisingly, the areas with the greatest housing challenges are those where a majority of residents have lower incomes. The following map provides a graphic picture of the areas with incomes at 50% or less than the area median.



### **Social Characteristics of Wichita Neighborhoods**

For purposes of this discussion social characteristics include cultural diversity or lack thereof, leisure time options, channels for communication between neighbors, crime and family composition. The following discussion provides an overview of these conditions in Wichita neighborhoods.

Data from the 2010 census reflects an increase in diversity in Sedgwick County and Wichita, when compared to 2000 data. Of the 7,746 blocks in Sedgwick County, 12 percent were all-white in 2010. A decade earlier, 18 percent of the blocks in the county were 100 percent white. While that is an encouraging change, the other reality is that minority populations have not migrated to a great extent, out of certain neighborhoods in which they are the majority population. Three-fourths of Sedgwick County's minorities live east of the Arkansas River.

Leisure options are provided by the City and private entities. The City's park and recreation systems underwent a comprehensive planning process resulting in presentation of a Park, Recreation and Open Space (PROS) plan in 2008. That plan includes a focus on neighborhood-oriented services, which will provide "a neighborhood or community park easily accessible to most residents, and that has the basic elements needed to support healthy activity and community and family fun".<sup>1</sup> Implementation of components of that plan are under review.

One of the ways communication is fostered in neighborhoods is through neighborhood and homeowner associations. The City of Wichita has a database of 280 homeowner associations, 84 neighborhood associations and four business associations. The City's Office of Community Engagement is the primarily liaison with these organizations regarding City communications.

Crime strikes all parts of the city and its neighborhoods however there are areas which have higher rates of certain crimes according to 2014 crime data available through the Wichita Police Department's crime stats density maps. For instance robbery and burglary cases occurred most frequently in the central part of the city, extending north and south. Assaults also occurred on a slightly higher basis in central northeast and southeast neighborhoods. The relative safety of neighborhoods is often a matter of perception, which suggests policy efforts should be aimed not only at reducing crime overall, but also in dispelling myths about certain areas and promoting the positive features of all neighborhoods.

Family composition is considered one of the social characteristics that may impact life in neighborhoods on several levels. For example the presence of children in a neighborhood could very easily dictate traffic patterns relative to schools and play areas. Single parent households can also be a factor in neighborhood stability in terms of bearing the costs of property maintenance on a single income.

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<sup>1</sup>City of Wichita PROS Plan, 2008, p. 33



## Policy Discussion

### Physical

According to the 2008-2012 American Community Survey estimates 43% of Wichita's housing stock was developed prior to 1960. It is not surprising, therefore, to find that the worst housing conditions are concentrated in the core area. The housing conditions map in the Appendix provides a graphic image of these conditions, based on 2010 census information and housing condition reports compiled by the Sedgwick County Appraiser. Funding (or lack thereof) would seem to be the primary barrier to addressing the physical conditions of housing, particularly in the core area of the city, where household incomes are also generally lower. Funding could address this problem on several fronts.

Many homeowners have the desire to improve their properties but do not have the funds. The primary source of home repair for such homeowners is City programs which are federally funded. In the last three years, over 800 homes received home repair assistance; nearly 275 of those homes received paint grants. Waiting lists for those services are carried forward from year to year. A new source of funding would make it possible for more low to moderate income households to receive home repair assistance.

Some property owners are not responsive to citations for housing conditions in violation of City codes for reasons unrelated to having the funds to make repairs. Funding to support and expand the number of City Code staff to continue the citation pressure and/or to pursue other legal remedies could result in some such owners coming into compliance. In addition funding for City resources would also increase the ability to abate non-housing conditions which impact neighborhood stability such as overgrown vacant properties and the presence of dangerous, vacant structures. Funding is part of the strategy for addressing such properties and property owners, however policy and/or strengthened enforcement tools could also make a difference.

Neighborhood stability is also threatened by the presence of abandoned and otherwise blighted property. Such properties are unsightly, often breed crime and give the neighborhood an image of neglect and disinvestment. These conditions could be turned around through partnerships between the neighborhood residents, local government, private sector investors, and nonprofit agencies who commit to a plan for redevelopment. The benefits are many: the neighborhood's curb appeal is improved; resident pride is restored; and complementary investments are triggered.

The Community Investments Plan 2015-2035 includes an urban infill strategy which complements and in many instances, expands upon strategies relative to improving the physical condition of neighborhoods. The urban infill strategy has a focus on the Established Central Area comprised of the downtown core and the mature neighborhoods surrounding it in a roughly three mile radius. The areas of opportunity in that plan are consistent with the challenges identified in this housing policy and suggest that areas with greatest incidence of these conditions should be given priority consideration: vacant parcels, vacancy rates, renter-occupied dwelling units, structures in fair or worse condition, nuisance complaints, building demolitions, and below standard infrastructure.<sup>1</sup>

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<sup>1</sup>Community Investments Plan 2015-2035



Following are strategies included in the Community Investments Plan, to address the four major barriers to infill development.

Strategy: Establish a participatory neighborhood planning program to prepare neighborhood design guidelines for areas of opportunity prior to construction of large-scale, multi-property infill projects. Also develop basic infill development guidelines that would be applicable throughout the Established Central Area.

Strategy: Amend development regulations to better encourage by-right infill development projects.

Strategy: Develop and implement a long-range plan for major infrastructure maintenance projects that focuses infrastructure investment in areas of opportunity in a manner supportive of infill development efforts.

Strategy: Establish a public-private relationship to support infill development through market research, design assistance, and financing opportunities.<sup>1</sup>

### Economic

The 2013 average sales price in Wichita was \$140,311 which is affordable to a household in Sedgwick County with a median value of \$115,200 (Sedgwick County). Neighborhood stability could be achieved by an investment of resources and incentives for infill projects in established neighborhoods, which would then improve the economic health of the area. Providing incentives that reduce sales prices would also benefit residents who wish to live in certain areas but for whom the housing prices are just beyond their reach. A household which is interested in residing in a particular area will very likely become a responsible owner if the economic barriers could be lifted.

Neighborhood economic viability will also be enhanced with the introduction of the 'right mix' of retail and consumer services operations. Recent experience has proven that neighborhood businesses can be successful in areas which had been previously abandoned by mainstream companies. However as in the case of homebuyers who would benefit from financial assistance to purchase in certain areas, incentives would likely be needed to encourage private sector investments as well. In identifying the 'right mix', however, care needs to be taken to ensure that the retail uses are compatible with residential living, and do not, for example, generate a major increase in traffic through the residential areas.

### Social

Wichita's natural cultural diversity is often seen as a barrier to development of a robust housing market, however many communities have capitalized on that diversity to promote popular and sought-after diverse neighborhoods. One reason for embracing the concept of diverse neighborhoods is the fact that according to a 2012 report in Forbes magazine "the more diverse neighborhoods have both higher population growth and stronger price growth in the past year".

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<sup>1</sup>Community Investments Plan 2015-2035

In a report published by the Urban Institute, several diversity policy strategies are suggested, two of which are worth noting: 1) expand affordable housing options in exclusive neighborhoods; and, 2) strengthen services and amenities in minority neighborhoods. This combination would also result in increased opportunities for neighborhoods to celebrate their ethnic heritage.<sup>1</sup>

Expansion of affordable housing options in exclusive neighborhoods requires attention to the public education campaign presented in the Affordability section of this report. Often such steps require ‘selling’ the concept of mixed income neighborhoods to households whose incomes are at or above the median. One concept which has been successfully used in other communities is inclusionary zoning, which is a land use technique for developing diverse mixed-income communities by requiring each new residential development permitted, to make a percentage of the new units affordable to targeted incomes. The Boulder, Colorado inclusionary housing ordinance was reviewed for this report. For housing developments of five or more units, the Boulder ordinance requires 20% of market rate housing developments to be affordable to very low, low or moderate income households. Developments of 4 units or less must set aside one unit as affordable, or designate another off-site unit as affordable. The ordinance also features a cash-in-lieu equivalent of an affordable unit. Those payments go into a housing fund which is used to develop affordable housing. A summary of the Boulder ordinance can be found in the Appendix. In addition case studies of three other communities which have implemented inclusionary zoning policies can be viewed at <http://www.inclusionaryzoning.com/case-studies-1.html>.

The option of enhancing amenities in minority neighborhoods can be achieved utilizing strategies mentioned elsewhere in this document. Amenities such as park and recreational opportunities as well as the right mix of retail and consumer services create stable, desirable neighborhoods. Additionally neighborhoods which are encouraged and supported in their celebration of ethnic diversity and heritage, also create stability. Visitors to such areas to take advantage of ethnic heritage functions and/or sampling of ethnic cuisines, can serve to erase unfounded fears about other ethnicities and perhaps create the desire to move into such areas.

Following is what USA Today reported on such a community in Kansas City, Mo. (June, 2014):

**“Kansas City:** The Westside neighborhood, radiating out from the intersection of 17th & Summit Streets, has filled up with pioneering urban dwellers of various ethnicities and infused life into the area. Beautiful homes abound, ranging from historic Victorian and Colonial to postmodern. Centrally located, within walking distance of downtown and adjacent to the Crossroads Arts District, Westside has an eclectic mix of restaurants like Chez Elle Creperie & Coffeehouse, Blue Bird Bistro, and Westside Local Restaurant & Beer Garden as well as a variety of Mexican restaurants and bars on nearby Southwest Boulevard.”

Policies should also consider incentives for households who can afford market rate housing, to remain in areas where mixed income units are being developed. As noted earlier, one such incentive would be reduced insurance or other household expenses. This option should be explored using the TIF investment strategy as a tool.

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<sup>1</sup>Promoting Neighborhood Diversity, Urban Institute, August, 2009

The following charts present recommended strategies for increasing the likelihood of neighborhood stability in support of housing for all, and for low to moderate income households in particular. These strategies should be considered in the context of the following existing neighborhood plans which have been adopted by the City of Wichita with infill guidance for existing Wichita neighborhoods.

- Hilltop Neighborhood Plan - 2000
- Center City Plan - 2000
- Delano Neighborhood Plan - 2001
- McAdams Neighborhood Plan - 2003
- Midtown Neighborhood Plan - 2004
- Central Northeast Area Plan Update – 2005
- 21<sup>st</sup> Street North Corridor Revitalization Plan - 2005
- South Central Neighborhood Plan - 2006
- Project Downtown Master Plan -2010

## NEIGHBORHOOD STABILITY STRATEGIES

### Strategies to address Physical Barriers

Barriers	Strategies	Potential Partners
Lack of common goal relative to neighborhoods	Establish a baseline for all neighborhoods, and develop a plan to bring all to the baseline and beyond Incorporate existing neighborhood and area plans into strategies to enhance neighborhoods	MABCD Planning Neighborhood Services Housing and Community Services
Insufficient funding to improve housing conditions	Identify a new and continuing funding source (federal funds are not enough) <ul style="list-style-type: none"> <li>Options include housing-related fees</li> </ul>	City Council
Lack of compliance by property owners	Community education on housing standards Increase enforcement resources Establish protocol for providing funding assistance for repairs for owner-occupied and rental property Provide funding to abate dangerous nuisances and assess the cost to the owner's personal debt	MABCD Law Department Municipal Court
Long delays in addressing abandoned and blighted properties	Create legislation to allow for faster seizure of abandoned and blighted properties when owners can't or won't comply Amend K.S.A. 12-1750 to allow cities to condemn property more expeditiously	City Council Sedgwick County State of Kansas
Boarded-up houses	Regulate property owners thru permit fees to board houses for long term board-ups Pursue a more active approach towards filing liens on the properties for code violations	City Office of Central Inspection City Law Department Wichita City Council City Redevelopment Authority Kansas Legislature Sedgwick County
Blight and poor curb appeal	Continue paint and low-interest home repair loan programs Provide incentives for neighborhood beautification efforts	City Housing & Community Services Dept. MABCD Sedgwick County Private building supply companies

Vacant lots in older neighborhoods	<p>Reduce inventory through infill home-ownership construction</p> <p>Actively pursue property liens and seizures</p> <p>Create an online database to inventory and market vacant &amp; abandoned lots</p> <p>Create an authority with the power to acquire, consolidate and market vacant properties</p> <p>Encourage non-profits to develop the properties</p> <p>Provide downpayment and closing cost assistance</p> <p>Explore alternate uses such as neighborhood parks</p> <p>Implement the Wichita Urban Infill Strategy</p>	<p>City Housing &amp; Community Services Dept.</p> <p>Community Housing Development Organizations (CHDOs)</p> <p>Wichita Area Builders Association</p> <p>Redevelopment Authority</p> <p>Land Bank</p>
Inadequate retail and consumer services	<p>Promote retail development</p> <p>Provide incentives for retail development</p>	<p>City Housing &amp; Community Services Dept.</p> <p>City Office of Urban Development</p>

### Strategies to address Economic Barriers

Barriers	Strategies	Potential Partners
Lack of mixed income neighborhoods	<p>Encourage housing affordable to low-income persons throughout the city</p> <p>Promote mixed income neighborhoods</p> <p>Attach economic development initiatives to housing to increase attractiveness of mixed-income housing</p> <p>Consider Inclusionary Zoning requiring affordable housing or cash contribution to an affordable housing fund for residential permits above an established threshold</p>	<p>Wichita Housing Authority</p> <p>City Housing &amp; Community Services Dept.</p> <p>Wichita Area Builders Association</p>
Need for focus on homeownership	<p>Provide education for potential homeowners</p> <p>Provide financial subsidies to promote homeownership</p> <p>Support development of affordable homeownership opportunities</p>	<p>City Housing and Community Services Dept.</p> <p>Redevelopment Authority</p> <p>Land bank</p>
Lack of basic amenities in core areas	<p>Provide incentives/subsidies for economic development in inner-city neighborhoods</p> <p>Encourage development of neighborhood shopping areas</p>	<p>City Office of Urban Development</p>

## Strategies to address Social Barriers

Barriers	Strategies	Potential Partners
Lack of diversity in many neighborhoods	Vigorously enforce fair housing laws Provide information and incentives to encourage white and minority households to broaden their horizons and consider living in diverse neighborhoods	Realtor community Wichita Area Builders Association State laws Housing and Community Services Neighborhood Services
	Expand the availability of affordable housing in non-poor neighborhoods and use housing vouchers to enable low-income families to move to better locations	
	Celebrate the diversity of the community Enhance the amenities in historically minority and/or poor neighborhoods to increase their attractiveness to other populations	
Lack of life skills and resident responsibilities	Offer classes on how to be good homeowners and tenants, including housekeeping and maintenance	HCSD Sedgwick County Extension Office Non-profit agencies
Lack of neighborhood associations in all areas	Develop a campaign to encourage establishment of neighborhood associations Consider alternate structures for neighborhood associations, including with the use of social media Consider role of homeowner associations	Neighborhood services

# Wichita Comprehensive Housing Policy

## Resources

Definition: Resources in the context of this discussion includes cash, non-cash incentives, labor, and oversight. Each will be discussed separately.

Goals: To accumulate the appropriate mix of public and private funds to assist non-profit and for-profit housing developers in the development of safe, affordable housing, and strong stable neighborhoods.

Current Status: There are several resources and programs currently available in the Wichita area that can be leveraged by housing developers to finance various types of multi-family and single-family housing projects. Resources and programs are also available to homebuyers. Resources to address neighborhood stability factors are quite often considered outside the context of housing resources. This section will include that perspective. The Appendix includes program and resource inventories, many of which are referenced herein.

### Resources for Single-Family Housing

The primary source of cash resources for single-family affordable housing is the City of Wichita. Funds from the U.S. Department of Housing and Urban Development have been invested over the past 20-plus years in home repair, housing development and homebuyer assistance. Yet those programs have also maintained waiting lists from year to year. Additionally the primary source of funding for these programs, the HOME Investment Partnerships Act, also requires a non-federal match of 25% which is met through a variety of non-cash sources. Thus the base amount available to fund these programs is limited to the annual federal allocation.

In recent years, the City of Wichita has established non-cash incentive programs as a part of the Neighborhood Revitalization Plan, for the development of housing in the City's emphasis areas. These incentive programs include the waiver of building permit fees, water and sewer tap/plant equity fees, and tax rebates for newly constructed homes and substantial rehabilitation projects in the Neighborhood Revitalization Area. Non-profit Community Housing Development Organizations (CHDO's), for-profit developers, and individual property owners have utilized these programs to leverage HOME Program subsidies to develop or improve affordable single-family housing. However that program is undergoing modifications due to the withdrawal of the local school district from the tax rebate component of the plan and a general review of the impact on the target areas when compared to the administrative efforts which are required.

Many lenders in the Wichita area provide housing construction financing. CHDO's and private developers have successfully leveraged HOME funding for single-family housing projects by developing borrowing capacity with local financial institutions to secure participation construction loans. This method of financing enables housing developers to accelerate production in HOME Program-related housing development projects.

Another resource for the construction and purchase of single family homes is Affordable Housing Program (AHP) funding from the Federal Home Loan Bank. This funding is most often provided to first-time homebuyers in the form of down payment/closing costs assistance, and is typically leveraged with first mortgage financing and in some cases, down payment assistance provided by the City of Wichita. Private developers have also utilized AHP funding as a part of the financing package for multi-family projects.

These resources are essential to 'evening the playing field' for homebuyers who face tightened lending standards put in place after the recent housing crisis, such as changes in credit score and other criteria necessary to qualify for standard mortgage products. Those changes have narrowed the choices of many low to moderate income households. In May, 2002, the City supported the creation of a lenders pool in which local lenders formed a collaborative partnership which created an affordable financing opportunity to potential homebuyers who did not typically utilize traditional forms of credit. This lenders pool was successful however is no longer in place.

Another resource strategy is the City of Wichita's special assessment program for the construction of new infrastructure in connection with new housing developments. This program eliminates the need for builders and housing developers to privately finance and/or pay for infrastructure in advance of housing development. Through the special assessment program, the City sells bonds to pay for infrastructure improvements. These bonds are retired with payments received from homeowners over a period of 15 to 20 years. For-profit and non-profit housing developers have utilized the special assessment financing program in connection with HOME-subsidized single-family housing developments.

The City of Wichita has designed its homebuyer assistance program in order to leverage first mortgage financing for income-eligible homebuyers by providing substantial down payment and closing costs assistance in connection with the purchase of a home. In most cases, the level of assistance eliminates the need for private mortgage insurance, and also minimizes risk for lenders.

### **Resources for Multi-Family Housing**

Cash resources for multi-family housing development generally takes the form of Housing Tax Credits. The tax credit program enables housing developers to leverage private sector financing for projects that will feature rent levels which are affordable to families and individuals whose household incomes do not exceed 50% or 60% of the median level. Historic Tax Credits are another option which was utilized in the rehabilitation of the Eaton Place and Harvester Apartments.



Industrial Revenue Bonds have also been leveraged with private financing, tax credits, HOME funding and private financing in connection with mixed-income housing projects such as Innes Station Apartments in Old Town, as well as the Eaton Place Apartments, a mixed-use/mixed-income housing development in the Central Business District.

As noted above, multi-family project developers have also accessed the Federal Home Loan Bank Affordable Housing Program to secure additional financing for multi-family projects. Such projects must serve households whose incomes do not exceed 50% of the area median. In addition, the non-cash tax rebate program available for single-family housing in the City's Neighborhood Revitalization Area is also available for multi-family housing developments.

The City participated in a "CRA Listening Session" in July, 2014, which was organized by the regional officer of the FDIC Community Reinvestment Act (CRA) Examiner. The purpose of the session was for the FDIC to begin to establish a greater presence in Wichita and partnerships with Wichita's community development community. Wichita-area community development representatives also participated in the meeting which was considered a first step to establishing ongoing partnerships between the community and the FDIC. The goal of this relationship is to create greater avenues for local banks to participate in community development activities relative to affordable housing, small business, access to financial services for the unbanked and underserved, and other opportunities which may be identified. The FDIC issues a report on the meeting which identified five challenges: *"1) neighborhoods have limited community support; 2) there is limited commitment from area banks; 3) a lack of good jobs often leads to payday/title lending; 4) banks are not lending to businesses in distressed areas, which subsequently impacts employment in most cases; and 5) organizations need funding for shelters and affordable housing"*. A follow up meeting was scheduled in 2015 but cancelled due to logistical problems, and has not been rescheduled as of July, 2015. This partnership has the potential to be an important resource for cash participation by local lenders in addressing the city's affordable housing needs and should be pursued as an implementation strategy for this housing policy.

The City's HOME funds are available to any developer of affordable housing although a certain percentage is required by law to be set aside for Community Housing Development Organizations (CHDOs). Wichita has prioritized the use of these funds for single family housing and in Wichita the two active CHDOs and Wichita Habitat for Humanity have utilized HOME funds to subsidize the development of 228 homes in the last 10 years. These agencies have developed skill and capacity however their production has been limited by the availability of local resources. This policy document suggests increasing funds available for affordable housing development, increasing the capacity of CHDOs to participate in development, and providing incentives for private developers to create such housing.

Reliance on federal resources as the primary option for funding or incentivizing affordable housing, will not yield the type and scope of results needed to address the conditions and needs identified in this report. As a result there have been several references to identifying a non-federal, permanent source of funding support for these program. This discussion of resources reiterates that theme and need. There are a number of ways other communities have identified such resources and they are presented in the following tables for consideration and discussion. Another option to be explored is the allocation of unallocated CDBG funds as start-up funding for the other resource suggestions.

## **Resources for Neighborhood Stability**

Most of the neighborhood stability barriers identified in this document require funding sources, with legislative recourse a close second. It has been stated throughout this document that reliance on federal funds alone is not the preferred option for addressing community housing and neighborhood needs. A permanent dedicated source of funding has been suggested and continues to be a priority recommendation.

Following are strategies designed to address the resource needs for homeownership, rental housing and neighborhood stability recommendations.

## RESOURCE STRATEGIES

Barriers	Strategies	Potential Partners
Insufficient resources to initiate substantial housing development or re-development projects	Investigate, evaluate and support the use of other funding mechanisms that have not been utilized to leverage current resources for housing development projects.	City Housing & Community Services Department City Law Department City Redevelopment Authority*
	Pursue other sources of funding for housing development projects in order to leverage HOME funding, and to provide ongoing, reliable HOME-eligible match resources	
	Establish a Housing Trust Fund to leverage City HOME funding (HOME-eligible match). Consider funding with local mortgage registration fees, tax increment funds from redevelopment districts or cash in lieu of inclusionary zoning housing	City Housing & Community Services Dept. City Redevelopment Authority* City Council
	Investigate use of Tax Increment Financing (TIF)'s for the purpose of financing single-family housing development	City Housing & Community Services Dept. City Redevelopment Authority* City Office of Economic Development
	Continue to support the efforts of CHDO's to apply for additional development subsidy or homebuyer assistance funding.	City Housing & Community Services Dept.
	Review and apply for grant funding opportunities as they become available	City Housing & Community Services Dept. Non-profit agencies
Limited scope of local and State incentive programs to support core area development	Continue Neighborhood Revitalization Program incentives or replace with a similar incentive program	City Housing & Community Services Department City Office of Economic Development City Law Department
	Continue to support projects proposing financing with LIHTC program Review City of Wichita's Tax Credit Policy with respect to 20% market-rate unit set-aside requirement	City Housing & Community Services Dept. City Council City Manager

<b>Barriers</b>	<b>Strategies</b>	<b>Potential Partners</b>
Limited financing options for some homebuyers	Encourage the development of lender programs that assist in the leveraging of HOME funding for down payments, closing costs, and first mortgage financing	City Housing & Community Services Department FDIC partnership
	Continue to develop programs to make homeownership accessible to low/moderate income families	Lenders Fannie Mae (Lease-Purchase) Freddie Mac (Lease-Purchase) Kansas Housing Resources Corporation FDIC
	Consider re-creation of a lender pool, with funding through a special bond program	Lenders City Housing & Community Services Dept. City Office of Economic Development FDIC
Limited involvement of CDBG funding in affordable housing development	Utilize CDBG funding for infrastructure needs in connection with substantial redevelopment projects	City Housing & Community Services Dept. Wichita City Council Community Housing Development Organizations (CHDOs)
Lack of acknowledgement of the benefits of housing development: increase tax revenue, increased homeownership, increased employment, (construction jobs).	Develop an educational campaign for the public and elected officials Create annual Housing Report for the City Council	City Housing & Community Services Dept. Wichita Area Builders Association Wichita State University Wichita Area Association of Realtors Community Housing Development Organizations (CHDOs)

## Closing Thoughts and Special Recommendation

As has been demonstrated in this policy document, Wichita has many strengths and more than a few challenges with regards to improving and enhancing its current housing stock and with regards to planning for the future. The age of the housing as well as the residents are important factors in this strategy. Functionality and safety are also highlighted themes. Partnerships between the public and private sectors are essential. Funding and implementation structures and accountability must also be clearly addressed. Some of the strategies will require departures from past practice and may be considered risky by some. However, unless different paths are explored, the City's housing goals are not likely to progress and the community will continue to reflect a symptom-only approach as opposed to one which is comprehensive and addresses the core problems.

The final recommendation of this housing policy is the creation of an **oversight group** – either permanent or until certain goals have been achieved. This can be achieved in a number of different ways. A Redevelopment Authority was proposed in this document as a strategy tool and could serve in that capacity, with its governing board appointed by the Mayor and Council. Another option would be an oversight group appointed by the City Manager and working in consultation with the City Departments of Housing and Community Services, Planning and Metropolitan Area Building and Construction. Other departments would be called upon for input in specific strategy discussions. The importance of having a group will help ensure that implementation of this policy stays on task, and is a strategy that worked well with the Task Force on Ending Chronic Homelessness which was appointed by the City and County in 2006.

Following are the top recommended strategies for each component of this housing policy. Some of the recommendations are new strategies. Others in the following top strategies are currently in practice and are recommended to be continued.

## Top Staff-Recommended Strategies: AFFORDABILITY

BARRIERS	NEW STRATEGIES	POTENTIAL PARTNERS
Lack of coordination of low cost housing construction and <i>transportation</i> planning	ESTABLISH TRANSPORTATION/HOUSING DEVELOPMENT TEAM TO EXPLORE WAYS TO BETTER COORDINATE	Special task force
	FOLLOW UP ON REAP SUSTAINABILITY RECOMMENDATIONS IN THESE TWO AREAS	Housing & Community Services Metropolitan Area Planning Department
No connection between affordable housing and <i>economic development</i>	DESIGNATE ECONOMIC DEVELOPMENT AND HOUSING STAFF FOR DISCUSSIONS ON WORKFORCE HOUSING AND OTHER RELATED CONNECTIONS BETWEEN THE TWO, WHEN RECRUITMENT PACKAGES ARE BEING CONSIDERED	Special task force City Office of Urban Development
<i>Financing</i> for low-income home buyers	DEVELOP A BOND PROGRAM TO RAISE FUNDS FOR AN EXPANDED LENDERS POOL, PROVIDE LOW INTEREST RATES AND LOW COSTS FOR ELIGIBLE HOME BUYERS	City Redevelopment Authority* City Housing & Community Services Dept. Private and nonprofit lenders
<i>Increasing costs</i> of housing materials	RESEARCH AND DEVELOP ALTERNATIVE HOUSING MATERIALS AND METHODS	Wichita State University Metropolitan Area Building & Construction Dept. Kansas State University KOCH Industries
	SUPPORT VALUE-ENGINEERING CONCEPTS IN MATERIAL SELECTION AND DESIGN, TO KEEP COSTS DOWN	Wichita Area Builders Association
<i>Zoning</i>	INCREASE ALLOWABLE HOUSING DENSITY	Metropolitan Area Building and Construction Dept. Wichita Sedgwick County Planning Department
<i>Community attitudes</i> toward mixed income neighborhoods	EDUCATE THE PUBLIC ON AFFORDABLE HOUSING THROUGH MEDIA CAMPAIGNS PROMOTE THE MESSAGE THAT AFFORDABLE HOUSING IN SUBURBAN AREAS IS ACCEPTABLE AND DOESN'T HAVE TO DEVALUE PROPERTY REVIEW SUCCESSFUL INITIATIVES IN OTHER COMMUNITIES PARTNER WITH COMMUNITY GROUPS TO DELIVER THESE MESSAGES	City Housing & Community Services Dept. City Office of Urban Development District Advisory Boards (DABs) Wichita City Council Nonprofit organizations Community Housing Development Organizations

BARRIERS	STRATEGIES TO CONTINUE	POTENTIAL PARTNERS
<i>Financing</i> for low-income home buyers	CONTINUE TO ALLOW SECTION 8 VOUCHERS FOR HOME PURCHASES	Wichita Housing Authority
	CONTINUE TO SUBSIDIZE FIRST TIME HOME BUYERS WITH DOWN PAYMENT AND CLOSING COSTS	City Housing & Community Services Dept. Private lenders Nonprofit organizations
Lack of sufficient <i>low cost housing</i>	CONTINUE INFILL/NEW CONSTRUCTION CONTINUE BOARDED UP BUILDING PROJECT	City Housing & Community Services Dept. Community Housing Development Organizations

## Top Staff-Recommended Strategies: AVAILABILITY

BARRIERS	NEW STRATEGIES	POTENTIAL PARTNERS
<b>Code enforcement</b> challenges	STRENGTHEN CODE ENFORCEMENT IDENTIFY COMMUNITY-BASED PARTNERSHIPS	City Housing & Community Services Dept. City Office of Community Engagement Wichita Independent Neighborhoods Metropolitan Area Building & Construction Dept.
<b>Vulnerable neighborhoods</b> , often directly related to household income	PROVIDE HOME REPAIR UPGRADES STRENGTHEN NEIGHBORHOOD WATCH PROGRAMS EXPAND COMMUNITY POLICING	City Housing & Community Services Dept. City Office of Community Engagement Wichita Independent Neighborhoods City Police Department
<b>Sub-prime rental</b> market	INSTITUTE A RENTAL REGISTRATION PROGRAM	Wichita City Council Metropolitan Area Building & Construction Dept.
Housing that is <b>beyond repair</b>	IDENTIFY FUNDS TO QUICKLY DEMOLISH BLIGHTED PROPERTY AND REBUILD SAFE AFFORDABLE HOUSING	Housing and Community Services CHDOs Redevelopment Authority
<b>Developer cost</b> for land acquisition, site prep and infrastructure	ESTABLISH COST SHARING BETWEEN THE CITY AND DEVELOPERS ESTABLISH HOUSING TRUST FUND USING FEES CHARGED FOR DEVELOPMENT OUTSIDE THE CORE, TO SUPPORT INNER CORE DEVELOPMENT EXPLORE BOND FINANCING PROGRAM FOR INFRASTRUCTURE	City Finance Department City Office of Urban Development City Housing & Community Services Dept. Wichita Area Builders Association Sedgwick County City Redevelopment Authority
<b>Limited resources</b> to increase housing options	ENGAGE LENDING INSTITUTIONS IN AGGRESSIVE COMMUNITY DEVELOPMENT	Local banks
Lack of housing options for <b>persons with special needs</b>	EXPLORE FUNDING OPTIONS CREATE PUBLIC-PRIVATE PARTNERSHIPS	Establish a task force to consider housing strategies for all special needs

## Top Staff-Recommended Strategies: NEIGHBORHOOD STABILITY

BARRIERS	NEW STRATEGIES	POTENTIAL PARTNERS
Lack of <b>common goal</b> relative to neighborhoods	ESTABLISH A BASELINE FOR ALL NEIGHBORHOODS & DEVELOP A PLAN TO BRING ALL TO THE BASELINE AND BEYOND INCORPORATE EXISTING NEIGHBORHOOD AND AREA PLANS INTO STRATEGIES TO ENHANCE NEIGHBORHOODS	MABCD Planning Neighborhood Services Housing and Community Services
Long delays in addressing <b>abandoned and blighted properties</b>	CREATE LEGISLATION TO ALLOW FOR FASTER SEIZURE OF ABANDONED AND BLIGHTED PROPERTIES WHEN OWNERS CAN'T OR WON'T COMPLY AMEND K.S.A. 12-1750 TO ALLOW CITIES TO CONDEMN PROPERTY MORE EXPEDITIOUSLY	City Council Sedgwick County State of Kansas
<b>Insufficient funding</b> to improve housing conditions	IDENTIFY A NEW AND CONTINUING FUNDING SOURCE (FEDERAL FUNDS ARE NOT ENOUGH) • OPTIONS INCLUDE HOUSING-RELATED FEES	City Council
<b>Vacant lots</b> in older neighborhoods	REDUCE INVENTORY THROUGH INFILL HOME-OWNERSHIP CONSTRUCTION ACTIVELY PURSUE PROPERTY LIENS AND SEIZURES CREATE AN ONLINE DATABASE TO INVENTORY AND MARKET VACANT & ABANDONED LOTS CREATE AN AUTHORITY WITH THE POWER TO ACQUIRE, CONSOLIDATE AND MARKET VACANT PROPERTIES ENCOURAGE NON-PROFITS TO DEVELOP THE PROPERTIES PROVIDE DOWNPAYMENT AND CLOSING COSTS ASSISTANCE EXPLORE ALTERNATE USES, SUCH AS NEIGHBORHOOD PARKS	City Housing & Community Services Dept. Community Housing Development Organizations (CHDOs) Wichita Area Builders Association Redevelopment Authority Land Bank
Lack of <b>mixed income neighborhoods</b>	ENCOURAGE HOUSING AFFORDABLE TO LOW-INCOME PERSONS THROUGHOUT THE CITY PROMOTE MIXED INCOME NEIGHBORHOODS ATTACH ECONOMIC DEVELOPMENT INITIATIVES TO HOUSING TO INCREASE ATTRACTIVENESS OF MIXED-INCOME HOUSING CONSIDER INCLUSIONARY ZONING REQUIRING AFFORDABLE HOUSING OR CASH CONTRIBUTION TO AN AFFORDABLE HOUSING FUND FOR RESIDENTIAL PERMITS ABOVE AN ESTABLISHED THRESHOLD	Wichita Housing Authority City Housing & Community Services Dept. Wichita Area Builders Association

BARRIERS	STRATEGIES TO CONTINUE	POTENTIAL PARTNERS
<b>Blight</b> and poor curb appeal	CONTINUE PAINT AND LOW-INTEREST HOME REPAIR LOAN PROGRAMS PROVIDE INCENTIVES FOR NEIGHBORHOOD BEAUTIFICATION EFFORTS	City Housing & Community Services Dept. MABCD Sedgwick County Private building supply companies



## Top Staff-Recommended Strategies: RESOURCES

BARRIERS	NEW STRATEGIES	POTENTIAL PARTNERS
<b>Insufficient resources</b> to initiate substantial housing development or re-development projects	INVESTIGATE, EVALUATE AND SUPPORT THE USE OF OTHER FUNDING MECHANISMS THAT HAVE NOT BEEN UTILIZED TO LEVERAGE CURRENT RESOURCES FOR HOUSING DEVELOPMENT PROJECTS.	City Housing & Community Services Department City Law Department City Redevelopment Authority*
	ESTABLISH A HOUSING TRUST FUND TO LEVERAGE CITY HOME FUNDING (HOME-ELIGIBLE MATCH). CONSIDER FUNDING WITH LOCAL MORTGAGE REGISTRATION FEES, TAX INCREMENT FUNDS FROM REDEVELOPMENT DISTRICTS OR CASH IN LIEU OF INCLUSIONARY ZONING HOUSING	City Housing & Community Services Dept. City Redevelopment Authority* City Council
<b>Limited financing options</b> for some homebuyers	ENCOURAGE THE DEVELOPMENT OF LENDER PROGRAMS THAT ASSIST IN THE LEVERAGING OF HOME FUNDING FOR DOWN PAYMENTS, CLOSING COSTS, AND FIRST MORTGAGE FINANCING	City Housing & Community Services Department FDIC partnership
	CONSIDER RE-CREATION OF A LENDER POOL, WITH FUNDING THROUGH A SPECIAL BOND PROGRAM	Lenders City Housing & Community Services Dept. City Office of Economic Development FDIC
Lack of acknowledgement of the <b>benefits of housing development</b> : to increase tax revenue, increased homeownership, increased employment, (construction jobs).	DEVELOP AN EDUCATIONAL CAMPAIGN FOR THE PUBLIC AND ELECTED OFFICIALS CREATE ANNUAL HOUSING REPORT FOR THE CITY COUNCIL	City Housing & Community Services Dept. Wichita Area Builders Association Wichita State University Wichita Area Association of Realtors Community Housing Development Organizations (CHDOs)

BARRIERS	STRATEGIES TO CONTINUE	POTENTIAL PARTNERS
<b>Insufficient resources</b> to initiate substantial housing development or re-development projects	CONTINUE TO SUPPORT THE EFFORTS OF CHDO'S TO APPLY FOR ADDITIONAL DEVELOPMENT SUBSIDY OR HOMEBUYER ASSISTANCE FUNDING.	City Housing & Community Services Dept.
<b>Limited scope</b> of local and State incentive programs to support core area development	CONTINUE NEIGHBORHOOD REVITALIZATION PROGRAM INCENTIVES OR REPLACE WITH A SIMILAR INCENTIVE PROGRAM	City Housing & Community Services Department City Office of Economic Development City Law Department
	CONTINUE TO SUPPORT PROJECTS PROPOSING FINANCING THROUGH THE LIHTC PROGRAM REVIEW CITY OF WICHITA'S TAX CREDIT POLICY WITH RESPECT TO 20% MARKET-RATE UNIT SET-ASIDE REQUIREMENT	City Housing & Community Services Dept. City Council City Manager

## **Feedback on Barriers and Strategies – Community Stakeholders**

# **APPENDIX**

## Plan Overview

Within the broader context of the 2035 Plan Vision Statement, Plan Guiding Policy Principles and the Future Land Use Policies, this Plan provides an Infrastructure Investment Decision-making Framework to guide future public investment decisions that best reflect our community's highest priority needs and wants, and 'willingness to spend' on public infrastructure. This Plan is comprised of the following components:

1. **2035 Plan Vision Statement and Core Community Values-** A general statement describing what we envision our community will be 20 years from now in terms of employment and quality of life opportunities:

*"Building on our rich aviation and entrepreneurial heritage, Wichita-Sedgwick County is a global center of advanced manufacturing and high-tech industry and a premier service, education, health and retail center for South Central Kansas. People feel safe and enjoy affordable housing choices in diverse, vibrant neighborhoods offering unique quality living environments and active, healthy lifestyles with access to arts, culture and recreation."*

Seven core community values also collectively define our community approach and beliefs for the purposes of this Plan:

- *Common-sense Approach*
- *Fiscal responsibility*
- *Growth-oriented*
- *Inclusiveness and Connectivity*
- *Cultural Richness*
- *Vibrant Neighborhoods*
- *Quality Design*



**2. Plan Guiding Policy Principles-** Five overarching themes and aspirations for our community's future. They help set relative priorities at the broadest and highest levels for future public infrastructure and facility investment decisions:

1. *Support an Innovative, Vibrant and Diverse Economy*
2. *Invest in the Quality of Our Community Life*
3. *Take Better Care of What We Already Have*
4. *Make Strategic, Valued-added Investment Decisions*
5. *Provide for Balanced Growth but with Added Focus on Our Established Neighborhoods*

**3. Future Land Use Policies-**

**2035 Urban Growth Areas Map** - Depicts the anticipated growth pattern and extension of city limits for the cities of Sedgwick County.

**2035 Wichita Future Growth Concept Map** - Depicts the preferred 2035 growth concept for Wichita based on projected population/employment growth rates.

**Locational Guidelines** - Encourages compatible and appropriate future land use change in Wichita and unincorporated Sedgwick County.

**Wichita Urban Infill Strategy** - Encourages appropriate infill development in Wichita's Established Central Area.

Neighborhood and area plans adopted as elements of the Wichita-Sedgwick County Comprehensive Plan will provide additional land use policy guidance as applicable.

**4. Plan Elements-** A set of Plan Goals and Strategies to guide public infrastructure and facility investment decisions pertaining to the each of following Plan elements:

**Funding and Financing** - Guidance on how we should best fund and finance our public infrastructure and facilities.

**Transportation** - Guidance on how we should best invest in our transportation infrastructure and facilities.



***Water, Sewer and Stormwater*** - Guidance on how we should best invest in our water, sewer and stormwater infrastructure and facilities.

***Arts, Culture and Recreation*** - Guidance on how we should best invest in our arts, culture and recreation facilities.

***Public Safety*** - Guidance on how we should best invest in our public safety facilities.

***Priority Enhancement Areas for Wichita Public Infrastructure Projects Map*** - Guidance on priority areas for aesthetic enhancements to planned City of Wichita public improvements.

## **5. Plan Implementation-**

**Part 1. Infrastructure Investment Decision-making Framework** - This framework is intended to help close the long-term cost/revenue gap between our currently planned future infrastructure expenditures and our projected revenues. Three different levels of evaluation are recommended for both new and replacement infrastructure projects. This encourages best practices for public infrastructure investment decision-makers. It also enables strategic investment decision-making by aligning funding priorities with community priorities as reflected in the 2035 Plan Vision Statement, Core Community Values and Plan Guiding Policy Principles.

**Part 2. Plan Monitoring, Review and Amendment** - An ongoing, systematic approach to monitor community change, and review and amend the Plan so that it remains relevant and appropriate for our community.

## **Plan Appendix**

Under separate documentation, the Plan Appendix contains important and relevant background information listed below that has been helpful in shaping the development of this Plan:

- *Wichita 2035 Growth Scenarios*
- *Community Trends & Challenges Ahead*
- *Existing Conditions & Community Infrastructure Assessment*
- *Community Engagement*

## Sample Affordable Housing Educational Posters

**The Faces of Affordable Housing in Montana**

Profession	Hourly Wage
Senior on fixed-income	\$5.32/hour
Police Officer	\$14.89/hour
Retail Salesperson	\$8.64/hour
Licensed Practical Nurse	\$18.14/hour
Individual w/ Disability	\$5.87/hour
Teacher	\$15.15/hour

A person must earn \$13.86/hour to afford the average 2-bedroom apartment in Montana.  
It takes \$19.46/hour to afford the average home in Montana.

**If we want all of these people in our communities, we must make sure they have a place to live.**

**Support affordable housing.**  
For details about housing and the affordability gap in your area, see the **2010 White Paper: Housing in Montana**. Find a copy at [housing.mt.gov](http://housing.mt.gov)

White Paper  
Housing in Montana

MONTANA  
Department of Commerce

WE NEED THE PEOPLE  
WHO NEED AFFORDABLE HOUSING



AFFORDABLE HOUSING STRENGTHENS COMMUNITIES.  
SO, WHEN AFFORDABLE HOUSING IS MENTIONED  
WHERE YOU LIVE...SAY YES!

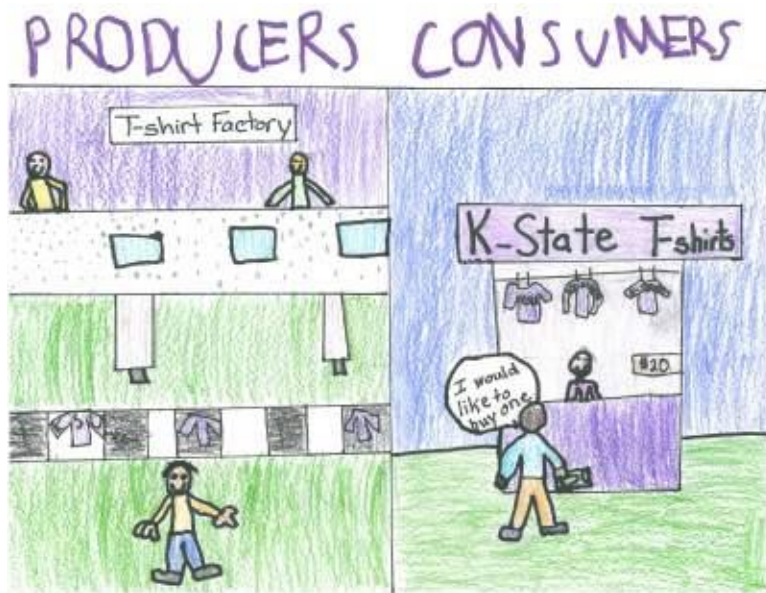
### HOUSING ILLINOIS

For more information on  
affordable housing,  
[www.HousingIllinois](http://www.HousingIllinois)  
(312)663-3936

## Kansas Council on Economic Education Program Artwork



## K-2 Grade Winning Entry in the 2013-2014 Poster Contest





## **Economic and Community Development Tools for Neighborhood Revitalization**

During the ACT ICT process, more than 85 percent of residents surveyed believed in preserving the city for future generations, and nine percent of their comments focused on revitalizing neighborhoods and supporting safe communities. This approach was perceived as essential to developing and preserving safe and vibrant communities across the city for current and future residents and businesses, reducing public resources needed for maintenance and restoration, and alleviating the out-migration of residents.

According to the 2008-2012 American Community Survey, there are 16,152 vacant housing units in Wichita (appr. 10 percent of the city's housing stock). Vacant housing units require a disproportionate amount of resources from police, fire, and code compliance. Their often blighted appearances have the potential to drive down nearby property values, discourage current and prospective residents from living in the area, attract criminal activity, and reduce the city's property tax revenue (if the property is tax delinquent).

Many cities have used redevelopment authorities and land bank authorities to assist in the revitalization of their blighted communities. Summaries of these economic development tools are provided below.

### **REDEVELOPMENT AUTHORITY**

A redevelopment authority is an administrative body established by a municipality to eliminate and prevent the spread of blight by promoting the redevelopment of designated areas in ways that reflect the needs and desires of the municipality's constituents.

#### **Authorization**

In Kansas, the creation of redevelopment authorities is authorized by the Urban Renewal Law (K.S.A. 17-4743 *et seq.*) and the Neighborhood Revitalization Act (K.S.A. 12-17,115 *et seq.*).

#### **Powers**

The aforementioned statutes authorize redevelopment authorities to hold the following powers:

- Implement and amend neighborhood plans
- Establish project areas
- Authorize redevelopment projects
- Issue debt or provide other financial assistance to fund projects
- Acquire property
- Manage income-producing assets
- Employ and terminate staff

Redevelopment authorities do not have the power to levy taxes.

## **Structure**

- An independent agency with the authority to conduct business apart from the regular business and approval of the city council
- Contains a five-member commission, comprised of residents appointed by the Mayor with advice from the city council
- Employs staff as deemed necessary by the commission, which includes, but is not limited to, an executive director, technical experts, counsel, and legal staff

## **Benefits**

The following list outlines some of the most commonly stated benefits of a redevelopment authority:

- Singular focus on redevelopment with dedicated staff
- Coordination of existing city and community resources
- Greater flexibility to generate operating funds
- Ability to make quick operating decisions
- Authorization to act independently with an obligation to only provide status reports to the city council

## **Challenges**

The following challenges have been gathered based on the experiences of existing and former redevelopment authorities:

- Poor financial and organizational management, transparency, and accountability
- Financial instability caused by unpredictable or non-recurring funding sources
- Lack/absence of shortfall agreements to place the burden on developers to meet goals
- Failure to demonstrate effectiveness of redevelopment authorities to achieve goals
- Poor coordination and relationships with related city agencies, such as a zoning board
- Perception of favoritism in selecting developers and contractors

## **Successful Examples**

Many redevelopment authorities exist in cities of various sizes across the country. Successful authorities are highlighted below. The first five authorities are located in Wichita's Index Cities.

### ***Colorado Springs Urban Renewal Authority (Colorado Springs, CO)***

- Developed nine projects since inception in 1970 that have resulted in 2,010 permanent jobs, generating \$90.5 million in annual personal income
- Projects also resulted in 188 construction jobs, which generated \$7.5 million in annual personal income
- Secured \$60 million in public investment and \$125 million in private investment
- Developed 377 residential units and over 660,000 square feet of commercial space

***Land Clearance for Redevelopment Authority (Kansas City, MO)***

- Received a \$7 million Neighborhood Stabilization Grant in 2008, which has funded 72 affordable homes with an average sale price of \$79,000
- Issued 11 tax abatements to support over \$1 million in new construction and rehabilitation of single family homes (2012-2013)

***Las Vegas Redevelopment Agency (Las Vegas, NV)***

- Manages 3,948 acres of land for redevelopment and has received \$2.7 billion in capital investment to increase employment and economic activity in the area
- Directly assisted 110 now-completed projects with a combined investment of \$1.6 billion
- Public-Private Investment Ratio – 1:15; Total economic impact per public dollar – 1:16

***Norfolk Redevelopment and Housing Authority (Norfolk, VA)***

- Invested \$22.7 million (in 2010 prices) to redevelop a challenged neighborhood over a 20-year period
- Assisted property in one neighborhood increase its total assessed value of \$18.6 million in 2010, a 501-percent increase since 2001; the property generated property tax revenue of \$206,752 in 2010
- Managed an investment area with an assessed value of \$37.4 million, an increase of 360 percent since 2001; it generated a total of \$414,925 in property taxes
- Created 435 jobs with an average salary of \$45,285

***Oklahoma City Urban Renewal Authority (Oklahoma City, OK)***

- Participated in planning and/or financing 35 redevelopment projects/activities in 2014-2015
  - Parking garage
  - Municipal Court building
  - Downtown public charter elementary school
  - Grocery store
  - Housing (single family in-fill and multi-family) – Ownership and Rental – Market and Affordable
  - Office Space
  - Hotel and conference center
  - Mixed use developments (commercial and residential)
  - Property acquisition
- Funding sources include:
  - CDBG
  - HOME
  - Section 108
  - HUD Neighborhood Stabilization Program
  - TIF
  - Private individuals (purchase of infill lots to build homes)
  - Tax credits (historic and low income)

- New Market Tax Credits

***Invest Atlanta (Atlanta, GA)***

- Helped create and retain 4,000 jobs and add \$56 million to the state and local tax rolls in 2013 via \$350 million in private investments
- Provided thirteen small businesses with loans totaling \$600,000 to support 63 employees, which leveraged \$1.3 million in private investment. Five of the loans were made to start-up companies
- Received \$110 million in New Markets Tax Credits since 2007
- Provided financing for 1,057 new and rehabilitated housing units in 2013, including 721 workforce housing units that leveraged \$110 million in private investment

***Urban Redevelopment Authority (Pittsburgh, PA)***

- During 2006-2012, provided \$348 million of direct economic development investment leveraged more than \$1 billion in total project costs and created 6,589 jobs
- URA-financed housing units are expected to generate \$170 million, or a \$2.9 million increase, in annual city/school district tax
- Provided \$9.4 million to rehabilitate 611 housing units and \$20.3 million in mortgage loans to assist in the purchase of 422 housing units

## **LAND BANK**

A land bank is a public authority established by a municipality to efficiently handle the acquisition, maintenance, and sale of vacant properties. It is an economic development tool that has a streamlined procedure to clear titles, transfer property ownerships, and acquire tax delinquent properties without risking their sale to speculators.

### **Authorization**

In Kansas, the establishment of land banks is authorized by K.S.A.12-5901 *et seq.*

### **Powers**

The aforementioned statute authorizes land banks to hold the following powers:

- Acquire property
- Accept or refuse any property acquired by the city, county, or other taxing subdivision (If accepted, such property is not subject to bidding requirements or public sales)
- Consolidate or subdivide individual parcels of property
- Sell property without competitive bidding
- Retain all proceeds from the sale of properties, except to reimburse municipalities for delinquent special assessments
- Rebate taxes on any property sold or conveyed by the bank
- Establish a neighborhood advisory committees to consult on operations and activities of the bank and any other matter presented to them
- Enter into contracts
- Sue and be sued
- Employ and terminate staff

### **Structure**

- A quasi-independent agency with the authority to conduct business apart from the regular business of the city council
- Governed by a board of trustees, either composed of or appointed by the city council
- Can receive advance funds from the city council to cover expenses of the land bank or board of trustees

### **Benefits**

The following list outlines some of the most commonly stated benefits of a land bank:

- Single agency with a repository of most, if not all, vacant properties in an area
- Streamlined process of obtaining publicly owned land to more quickly return tax-delinquent properties to the tax rolls for productive reuse and reduce need for extraordinary public services
- Allows publicly owned land to be marketed with price and priority uses disclosed upfront
- Increased accountability on property owners to maintain their property and pay taxes by way of code enforcement and tax foreclosure

## **Challenges**

The following list outlines some of the potential challenges that land banks could encounter:

- Lack of consistent funding for acquisitions
- Poor coordination among the major economic and community development players
- Limited staff capacity to complete administrative procedures and land seizure and rehabilitation

## **Successful Examples**

Land banks have existed in the country since the 1970s. Following are three success land bank operations. The Montgomery County Land Bank serves Dayton, OH, which is one of Wichita's Index Cities.

### ***Cuyahoga Land Bank (Cuyahoga County, OH)***

- Facilitated 750 home renovations, primarily with private investment, since its founding in 2009
- Demolished 2,000 seriously blighted and hazardous houses
- Serviced and maintained thousands of properties that are now pending disposition
- Facilitated land re-use for homeowner yard expansions, urban agriculture, business expansion, faith-based organizations, and other institutions

### ***Genesee County Land Bank Authority (Genesee County, MI)***

- Sold 4,683 properties for a total of more than \$20 million since its inception in 2002
- Promotes affordable housing by allowing reliable tenants to purchase homes with short terms and low payments
- Collaborates with community groups to maintain property; In 2013, 46 groups and 250 youth maintained 1,869 lots and completed 10,447 mowings

### ***Greater Syracuse Land Bank (Syracuse, NY)***

- Acquired 436 properties and demolished 17 properties in its first year of operation
- Sold 54 properties with an estimated \$2.6 million of future private investment and \$107,796 returned to the tax rolls
- Leveraged more than \$1 million for renovations and demolitions

### ***Montgomery County Land Bank (Dayton, OH)***

- Acquired 189 properties for demolition and facilitated the removal of 930 residential units in three years of operation (2011-2014)
- Reduced the time of property foreclosures by as much as 18 months, to an average of six months

***Regional Locations:*** Hutchinson, Overland Park, Lyons, Topeka, Wyandotte County, Kansas City, St. Louis

## Comprehensive Housing Policy Draft–Update–2015(F)



## **Boulder Inclusionary Zoning**

### ***Summary***

This Zoning ordinance requires a certain percentage of all large development projects to be made permanently affordable to low-income residents of the City. The ordinance also has a provision whereby developers can provide a cash contribution to the City's affordable housing fund in lieu of building all or some of the required affordable units.

### ***Ordinance***

#### **TITLE 9 LAND USE REGULATION**

#### **Chapter 6.5 Inclusionary Zoning<sup>1</sup>**

<sup>1</sup>Adopted by Ordinance No. 7025. Amended by Ordinance No. 7111.



#### **9-6.5-1 Findings.**

A diverse housing stock is necessary in this community in order to serve people of all income levels. Based upon the review and consideration of recent housing studies, reports and analysis, it has become clear that the provisions of this chapter are necessary in order to preserve some diversity of housing opportunities for the city's residents and working people.

The program defined by this chapter is necessary to provide continuing housing opportunities for very low-, low- and moderate-income and working people. It is necessary to help maintain a diverse housing stock and to allow working people to have better access to jobs and upgrade their economic status. It is necessary in order to decrease social conflict by lessening the degree of separateness and inequality. The increasingly strong employment base in this region, combined with the special attractiveness of Boulder, its increasing University related population and its environmentally sensitive urban service boundaries, all combine to make the continued provision of decent housing options for very low-, low- and moderate-income and working people in Boulder a difficult but vital objective. The regional trend toward increasing housing prices will, without intervention, result in inadequate supplies of affordable housing here for very low-, low- and moderate-income and working people. This in turn will have a negative effect upon the ability of local employers to maintain an adequate local work force.



It is essential that appropriate housing options exist for University students, faculty and staff so that the housing needs of University related populations do not preclude non-University community members from finding affordable housing.

A housing shortage for persons of very low-, low- and moderate-income is detrimental to the public health, safety and welfare. The inability of such persons to reside within the city negatively affects the community's jobs/housing balance and has serious and detrimental transportation and environmental consequences.

Because remaining land appropriate for residential development within the city is limited, it is essential that a reasonable proportion of such land be developed into housing units affordable to very low-, low- and moderate-income residents and working people. This is particularly true because of the tendency, in the absence of intervention, for large expensive housing to be developed within the city which both reduces opportunities for more affordable housing and contributes to a general rise in prices for all of the housing in the community, thus exacerbating the scarcity of affordable housing within the city.

The primary objective of this chapter is to obtain on-site, privately owned, permanently affordable units. Some provisions of this chapter provide for alternatives to the production of such on-site units. Those provisions recognize the fact that individual site and economic factors can make on-site production less desirable than the alternatives for particular developers. However, the intent and preference of this chapter is that wherever possible, permanently affordable units constructed pursuant to these provisions be located on-site and be privately produced, owned and managed.

#### **9-6.5-2 Purpose.**

The purposes of this chapter are to:

- (a) Implement the housing goals of the Boulder Valley Comprehensive Plan;
- (b) Promote the construction of housing that is affordable to the community's workforce;
- (c) Retain opportunities for people that work in the city to also live in the city;
- (d) Maintain a balanced community that provides housing for people of all income levels; and
- (e) Insure that housing options continue to be available for very low-income, low-income, and moderate-income residents, for special needs populations and for a significant proportion of those who both work and wish to live in the city.

## PROGRAM INVENTORY

### Programs funded with Community Development Block Grant (CDBG) funds

- **Emergency Repair** provides up to \$5,000 in financial assistance to resolve an emergency health or safety condition in owner-occupied homes, where household income is 50% or less of the Area Median Family Income (AMFI). The assistance comes in the form of a 0% interest loan, payable upon transfer of ownership of the property and forgivable after five years.
- **Direct Loan** provides up to \$35,000 in financial assistance to completely rehabilitate an owner-occupied house, and bring it into compliance with the Minimum Housing Code. Zero percent loans are available to households with incomes of 50% or less of the AMFI; loans to households from 51- 80% of AMFI are at 4%.
- **Home Improvement Loan Program** provides funds to reduce the interest rate on home improvement loans to 2%, for owner-occupants of housing located within the Redevelopment Incentive Area. Household income cannot exceed 80% of the AMFI, and the homeowner must meet bank lending criteria, including having enough equity in the property for collateral.
- **Historic Loan Deferred Loan** provides zero percent interest deferred loans to income eligible owner-occupants of structures that have some historic value or are located within a historic district. Maximum amount of assistance is \$5,000.
- **Historic Revolving Loan** provides loans at four points below the current prime lending rate to eligible owners of a historic structure (residential or contributing).
- **Paint Grant** provides up to \$200 for exterior paint to eligible homeowners. Owner-occupants who are elderly or have a physical disability and no other resources (family, friends) to apply the paint may also receive a paint labor grant.
- **Rental Rehab Loan** provides 4% loans to eligible investment-owners to completely rehabilitate rental properties located within the Local Investment Areas (LIAs). Properties must be residential containing no more than seven units and the tenant's household income cannot exceed eighty percent of median.
- **Voluntary Demolition** provides self-amortizing loan to eligible owner-occupants to remove detached, vacant buildings that are creating a blighting influence within the Local Investment Areas (LIAs).
- **Exterior Improvement Grant** provides funds for exterior improvement on owner-occupied property and 0% loans for investor-owners for correcting exterior deficiencies of properties that have front, or side yard frontage on the streets identified for program participation within the Local Investment Areas (LIAs).

## Programs funded with HOME funds

- **Deferred Loan** provides financial assistance to completely rehabilitate an owner-occupied house located within the Local Investment Area (LIA). The assistance comes in the form of a zero percent interest loan, payable upon transfer of ownership of the improved property. The maximum amount of assistance is \$35,000 or the amount required to bring the property into compliance with the Minimum Housing Code, whichever is less. Eligible household income must not exceed fifty percent of median income for applicable family size.
- **New Construction Infill Housing** works in partnership with local lenders, builders, realtors, and title companies, to provide affordable new homes to low-income families. The program provides zero interest-deferred loans to reduce construction costs. Homebuyers are often assisted with down payment and closing costs as well.
- **Homeownership 80** provides assistance to low-income families in purchasing their first home. The assistance comes in the form of deferred loans to help with down payment, closing costs, and in some cases minor home repair.

## ASSISTED HOUSING PROGRAMS

**Designated Housing** helps non-elderly and disabled individuals within Public Housing or a disabled applicant on waiting list with accessible housing vouchers.

**Family Self-Sufficiency** assists Section 8 Housing Choice Voucher families achieve goals that will lead to economic independence and self-sufficiency.

**Family Unification** provides housing for Section 8 Housing Choice Voucher families that have been separated because of domestic violence, spousal abuse, child abuse or abandonment,

**HOPWA (Housing Opportunities for Person With AIDS)** makes grants to local communities and nonprofit organizations for projects that benefit low income persons medically diagnosed with HIV/AIDS and their families.

**Mainstream** assists Section 8 clients who are disabled non-elderly head-of-household and/or spouses with assisted housing.

**Public Housing** provides City owned rental properties for low and moderate-income families with rent based upon 30% of their household adjusted gross income.

**Section 8 Housing Choice Voucher** provides low to moderate-income families with rental assistance based upon 30% of their household adjusted gross income.

**Section 8 Homeownership** allows Section 8 families to use their vouchers to assist with monthly mortgage payment. The program is limited to first-time homeowners.

**Shelter Plus Care** provides housing for hard-to-house homeless families who are Chronic Substance Abusers, Mentally Ill, or have AIDS.

## HOUSING RESOURCE INVENTORY

### **Government Programs**

Community Development Block Grant (CDBG) – a HUD entitlement that provides funding to benefit low- and moderate-income families thru construction, housing, public services and economic development. The City of Wichita receives an annual allocation; in 2015 it is approximately \$3.3 million per year.

Emergency Shelter Grant (HUD) – provides homeless persons with basic shelter and essential supportive services. It can assist with the operational costs of a shelter facility and administration of the grant.

Fannie Mae – provides financial products and services that make it possible for low-, moderate-, and middle-income families to buy homes of their own.

Federal Home Loan Bank (AHP) – funds non-profit/for profit developers and local governments, through local financial institutions to provide homebuyer assistance or other financing for affordable housing projects.

Federal Housing Administration (FHA) – offers loan guarantees for home mortgages and requires only 3 to 5 percent as down payment.

Freddie Mac – a stockholder-owned corporation chartered by Congress in 1970 to keep money flowing to mortgage lenders in support of homeownership and rental housing.

Historic Tax Credits – Federal/State programs that provide tax credits for the renovation of historic buildings, sometimes in connection with affordable housing projects.

HOME Investment Partnerships Program – a HUD entitlement for the purpose of purchasing, rehabilitating or constructing affordable housing to benefit low- and moderate-income families. The City of Wichita receives an annual allocation; the 2015 amount is \$1.1M.

Homestead Rebate Program - a rebate program for the property taxes paid by homeowners and renters, based on a portion of the property tax paid on a Kansas resident's homestead. The rebate is available for homeowners or renters, whose annual income is \$33,400 or less, and who meet other criteria.

Industrial Revenue Bonds – finance acquisition and construction of a variety of industrial, commercial and industrial properties on behalf of private businesses or non-profit agencies. The economic benefits include property tax abatement, sales tax exemption and the income earned on IRBs for low-income multifamily housing projects and single-family mortgages are exempt from federal and state income taxes.

Kansas State Housing Trust Fund – assists homeownership, rental housing, and housing with supportive services developments with financing for primarily low-and moderate-income families and persons with disabilities.

Low Income Housing Tax Credits (LIHTC) – HUD program involving the allocation of tax credits to states for the purpose of financing affordable housing projects. The LIHTC is the most important resource for creating affordable housing in the U.S. today.

Mortgage Revenue Bonds – tax exempt bonds issued by state and local governments. Funds raised by the sale of the bonds are used to finance home mortgages. Revenue from mortgage payments is used to repay the bonds.

Neighborhood Revitalization Program – provides incentives (permit and fee waivers), homeownership program assistance and tax rebates to encourage investment in revitalization areas.\*

Public Housing – provides City-owned rental properties to house low to moderate-income families with rents based upon 30% of their household adjusted gross income.

Section 8 Housing Choice Vouchers (City & County) – provides low to moderate-income families with rental assistance based on 30% of their household adjusted gross income.

Sedgwick County – Department on Aging rehab program for emergency assistance

Tax Increment Financing (TIF) – is a method of facilitating development or redevelopment of defined areas of property (“TIF District”) by utilizing future tax revenues to pay for some of the necessary improvements. Local officials can designate a TIF district for improvement and then earmark any future growth in property tax revenues in that district to pay for predetermined development expenditures in that district.

U.S. Department of Veterans Affairs (VA) – offers loan guarantees for home mortgages qualified military veterans, who can borrow up to \$203,000 with no down payment required.

Veterans Affairs Supportive Housing (VASH) vouchers - is similar to the Section 8 program and administered by the local VA Hospital and Wichita Section 8 Housing Choice Voucher program (funded by U.S. Departments of Veterans Affairs and Housing and Community Development)

\*Currently being reviewed and revised.